

MORETELE LOCAL MUNICIPALITY



ANNUAL BUDGET FOR 2018/19 TO 2020/21 MEDIUM TERM EXPENDITURE FRAMEWORK

Part 1 – ANNUAL BUDGET

1. Mayor's Report :

This report is prepared in compliance with section 24(1)(a) of the MFMA (Act 56 of 2003) which states that :

1. The municipal council must at least 30 days before the start of the budget year consider approval of the annual budget
2. An annual budget must :
 - (a) must be approved before the start of the budget year;
 - (b) is approved by the adoption by the council of a resolution referred to in section
 - (c) must be approved together with the adoption of resolutions as may be17(3)(a)(i); and
necessary-
 - (i) imposing any municipal tax for the budget year;
 - (ii) setting any municipal tariffs for the budget year;
 - (iii) approving measurable performance objectives for revenue from each
 - (iv) approving any changes to the municipality's integrated development
 - (v) approving any changes to the municipality's budget-related policies.source and for each vote in the budget;
plan;

The 2018/19 budgeted operational expenditure is R 476 million and the operating income is R 608 million, leaving a budget surplus of R 132 million. This surplus does not take into account the non-cash items like depreciation and provision for debtors which is budgeted at R 88 million.

The total operational expenditure budget for 2018/19 is R476,2-million

➤ Salaries of all staff and councillors

The 2018/19 budget for salaries and allowances has grown to R154-million with 18% increase when compared with the adjusted budget of R131-million 2017/18 financial year. The total employee related cost is 32% of the total operational expenditure budget, which is in line with the suggested norms.

WATER FROM TSHWANE

The budget for bulk purchase was R24,7 million in 2017/18 financial year and for 2018/19 is R24,7-million, this is as a result of the projected City of Tshwane bulk water tariffs. Municipality has been experiencing insufficient water supply.

Repairs and Maintenance

New imaginative ways must be explored to encourage more efficient use of resources and to generate the required funding for the maintenance, renewal and expansion of infrastructure to ensure effective service delivery. The budget is 4% of the total operating budget. This will include, maintenance of high mast lights, water and Roads and to the amount of R 20-million.

Free basic services

Municipality is intending to register at 12 thousands indigent household to benefit on basic service. Budget provisions have been set aside to assist communities with the following social packages and are included in the budget for indigent households total budget is R14-million:

- 10 kl free basic water services at a cost of R 7,8-million
- 50kWh free basic services for electricity at a cost of R 6,1-million
- Free basic service on refuse removal services at R349- thousand
- Rebates on property tax at R 331 thousand

Contracted services

The total contracted services decreased from R51-million to R49-million which is 10% of the 2018/19 total operating budget. It is apportioned as follows:

- Water supply in Moretele is still a challenges, this forces the municipality to augment water supply by using water tankering in areas where there is no reticulation or boreholes. The total costs for 2018/19 is R10,9 million as compared to adjusted budget of R18,2-million and it has decreased to R8,2-million. The decrease is due to the anticipated completion on Klipvoer dam upgrade project, The trucks have been reduced to 20 for 2018/19.
- The Refuse removal adjusted budget for 2017/18 is R15,4-million and is increased to R26-million in 2018/19 budget, this is due to the cleaning of landfill sites .
- Security services will reduce from R16,3-million to R11,9-million, the municipality must reconsider the security manning model.

In terms of the 2018/19 Division of Revenue Act, the Equitable Share increases from R284,5-million in 2017/18 to R306,7-million in 2018/19 financial year, is projected to increase to R335,2-million in the 2019/2020 financial year and R360-million in the 2020/21. Equitable share contributes 63% of the total grants and Subsidies. In terms of the 2018/19 DoRA the EPWP has increased from R1,5-million to R1,7-million. This is due to the EPWP business plan which was revised in the middle of the year and affected spending in the first six months of the financial year. The funds will be used to fund salaries of EPWP officials and cleaning programme. The municipality intends to change the EPWP model to ensure an increased reporting taking into account the Water, Refuse and General cleaning services. FMG has increased from R2,1-million in 2017/18 financial year to R2,2-million in 2018/19, and will increased to R2,6-million in 2019/20 and R3,1-million in 2020/21. This grant is meant to provide capacity in Budget and Treasury Office by appointing five Interns and other programmes such as addressing MSOA, audit findings, training and capacity development. For 2018/19 there will be two vacancies after possible absorption of interns which the municipality aims to fill.

An amount of R500 000 was transferred to Municipality in the past financial years for Maubane Cultural Village, and the funds were not spent. The delay was on community disruption fighting for project ownership. Corresponds were done with the department and confirmation to

continue with the project has been secured. This amount is not reported as revenue due to prior reporting when it was initially received.

Total capital grants for 2018/19 is R 172, 3, million all inclusive:

MIG

Allocation for MIG was R131, 8 million in 2017/18, it has decreased to R112, 3-million 2018/19. The projection reflects R114, 7-million in 2019/20 and slight increase to R121-million in 2020/21 financial year. Municipality has priorities water and sanitation on new projects and completion of MIG registered projects.

MSIG

DWA allocation has decreased from R62-million in 2017/18 R60-million in 2017/18 financial year, the grant will increase to R80-million in 2019/20 and R84-million in 2020/21. The grant is for Municipal water Infrastructure Grant. The grant will assist in fast tracking water storage and reticulation projects.

CAPITAL BUDGET 2018/19				
Description	MIG 2018/19	DWS 2018/19	Internal Fundin	Total Budget 2018/19
WATER	24,900,000	31,491,586	500,000	56,891,586
Ward 3 water supply (yard connection)		11,543,070.00		11,543,070
(Previous) Ward 5 water supply	15,000,000.00			15,000,000
Mmakaunyane water project (VTSD)	2,900,000.00			2,900,000
Ward 7 water project (VTSD)	7,000,000.00			7,000,000
Motla Catchment			500,000.00	500,000
WSIG				-
ward 4, Lebotlwane RDP		9,180,864.00		9,180,864
WCDM 13, 14, 15, 16, 17, 18, 22		10,767,651.60		10,767,652

Description	MIG 2018/19	DWS 2018/19	Internal Fundin	Total Budget 2018/19
SANITATION	20,000,000	28,508,414	-	48,508,414
Ward 18 Mathibestad Basic Sanitation (VTSD)	5,000,000			5,000,000
Ward 24 Mathibestad Basic Sanitation (VTSD)	5,000,000			5,000,000
Ward 26 Basic Sanitation Phase III	5,000,000			5,000,000
Ward 23 Basic Sanitation Phase I	5,000,000			5,000,000
Ward 12,16,17,19,21&22 Basic sanitation		28,508,414		28,508,414

Description	MIG 2018/19	DWS 2018/19	Internal Funding	Total Budget 2018/19
ROADS	41,000,000	-	-	41,000,000
Construction of Thulwe bridge	26,000,000			26,000,000
Upgrading of Mogogelo internal road Phase II	15,000,000			15,000,000
SPORTS FACILITIES/COMMUNITY HALL	16,484,000	-	-	16,484,000
Ward 3,9 & 22 sports complex	15,000,000			15,000,000
Ward 1 Community Hall	1,484,000			1,484,000
HIGH MAST LIGHTING	-	-	4,000,000	4,000,000
Ward 14 high mast lights			4,000,000.00	4,000,000

Description	MIG 2018/19	DWS 2018/19	Internal Funding	Total Budget 2018/19
BUILDING			25,000,000.00	25,000,000.00
New council chamber			10,000,000	10,000,000
ICT Cabling (New council chambers)			15,000,000	15,000,000
OTHER	4,500,000	-	1,000,000	5,500,000
Construction of Landfill site	4,500,000			
Carousel view ward office			700,000	1,000,000
Maintenance vehicle			300,000	
PMU ADMIN. FEES	-			-
Managemen fees	-			
Total Capital Budget	106,884,000	60,000,000	30,500,000	197,384,000

2. Council Resolution

Council of Moretele Municipality has resolved in its sitting on the 30 May 2018 and resolved that:

2.1 That EXCO and Council note the report

2.2 That EXCO and Council adopt the Final Budget for 2018/19 to 2020/21 financial years attached as Schedules A .

2.3 That EXCO and Council approve Tariffs attached as Annexure B

2.4 That EXCO and Council note Quality Certificate attached as Annexure C.

2.5 That EXCO and Council approve the revised Draft Budget Policies attached as Annexure D1- to D4.

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3. EXECUTIVE SUMMARY

National Treasury has set out the requirements for funding the budget and producing a credible budget. Attention was given to Section 18(1) of the MFMA, which states that an annual budget may only be funded from:

- Realistically anticipated revenues to be collected;
- Cash-backed accumulated funds from previous years' surpluses not committed for other purposes; and
- Borrowed funds, but only for the capital budget referred to in section 17(2).

Achievement of this requirement in totality effectively means that a Council has „balanced“ its budget by ensuring that budgeted outflows will be offset by a combination of planned inflows.

The main 2018/19 MTREF is prepared with the following conditions plaguing our country:

The 2018/19 draft budget takes into account the world economic growth at its highest since 2014 and continues to gather pace with Gross Domestic Product (GDP) growth increasing across all major economies.

South Africa has experienced a period of protracted economic weakness which diminishes private investment. This may be attributed to domestic constraints, associated to political uncertainty, and declining business and consumer confidence. The local economy is beginning to recover after a short recession in early 2017 however the improvement is insufficient and more so for a rural municipality. Growth has remained stagnant at less than 2 per cent and unemployment remains high at 26.7 per cent. There is a need for rapid growth, investment and job creation in order to increase revenue.

The GDP growth rate is forecasted at 1.5 per cent in 2018, 1.8 per cent in 2019 and 2.1 per cent in 2020. Statistics South Africa's December 2017 economic statistics showed an unexpected improvement in the economic outlook, largely as a result of growth in agriculture and mining, while the municipal agricultural sector has not taken off.

The drought experienced in several provinces poses significant risks to agriculture and tourism for the period ahead, and this may threaten jobs in the sectors.

These economic challenges will continue to exert pressure on municipal revenue generation and collection levels hence a conservative approach was applied for revenue projections. The municipality will have to improve its efforts to limit non-priority spending and to implement stringent cost-containment measures. Having reviewed the recommended CPI estimates, the municipality applied 4.3% adjustments to its budgeted amounts.

The macro-economic forecasts must be considered when preparing the 2018/19 MTREF municipal budgets.

Fiscal year	2017/18	2018/19	2019/20	2020/21
	ESTIMATE		FORECAST	
Consumer P Inflation (CPI)	5.3%	5.3%	5.4%	5.5%
Real GDP growth	1.0%	1.5%	1.8%	2.1%

Municipality applied the guideline provided by National Treasury on Circular 91 and has considered improving revenue management, affordability of providing free basic services, curbing consumption of services by indigents to ensure they don't exceed their allocation and cost cutting measures to ensure that service delivery and payments of services will be implemented by this budget. For the purpose of the budget the municipality has conservatively applied a CPI percentage of 4.3%, reducing the recommended percentage by 1%. The municipality has adopted the Cost Containment circular and intends on curbing expenditure to the funding and budget available.

The following table is a consolidated overview of the proposed 2018/19 Medium-term Revenue and Expenditure Framework based on the above inputs:

Operating Surplus

The total operating expenditure is R476,2-million and the total revenue is R608,8-million, therefore the operating surplus is R132,6-million.

Choose name from list - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			Pre-audit outcome	2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast		Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue By Source											
Property rates	2	40,412	44,835	44,933	47,799	47,799	47,799	-	49,380	52,046	54,909
Service charges	2	-	-	-	-	-	-	-	-	-	-
Service charges	2	39,304	18,816	26,344	20,846	20,846	20,846	-	21,680	22,845	24,101
Service charges	2	-	-	-	-	-	-	-	-	-	-
Service charges	2	15,777	16,931	18,153	12,325	18,844	18,844	-	19,266	20,306	21,423
Service charges - other											
Rental of facilities and equipment	84	97	84	113	113	113	113		118	124	131
Interest earned - external invest	4,184	7,836	11,996	12,533	12,533	12,533	12,533		13,578	14,311	15,098
Interest earned - outstanding deb	9,046	15,767	6,685	11,336	11,336	11,336	11,336		11,790	12,426	13,110
Transfers and subsidies	209,931	266,945	269,943	270,948	289,666	289,316			311,497	337,900	363,267
Other revenue	2	1,459	713	43,967	863	1,135	1,135	-	590	622	656
Gains on disposal of PPE				188	-						
Total Revenue (excluding)		320,196	371,940	422,105	376,952	402,272	401,922	-	427,898	460,580	492,695
Expenditure By Type											
Employee relate	2	67,767	76,343	83,743	113,552	113,552	113,552	13,321	134,592	142,533	150,942
Remuneration of councillors		17,470	18,577	16,830	17,855	17,855	17,855		19,708	20,871	22,102
Debt impairment	3	47,164	51,207	54,147	44,653	44,653	44,653		46,439	42,868	45,226
Depreciation & a	2	78,160	87,291	64,829	40,291	40,291	40,291	-	41,902	44,165	46,594
Finance charges		105	2,076	18,382	9,386	6,386	6,386		200	211	222
Bulk purchases	2	24,087	40,295	20,645	24,743	24,743	24,743	-	25,732	27,122	28,613
Other materials	8	8,169	15,286	30,574	24,881	29,458	29,458		20,636	21,751	22,947
Contracted services		21,427	40,536	62,187	47,427	51,635	51,635	-	49,497	52,170	55,039
Transfers and subsidies		-	-	-	20,366	5,951	5,951	-	14,732	15,528	16,382
Other expenditure	4, 5	38,335	75,350	106,836	124,560	131,908	131,908	-	122,785	135,494	142,947
Loss on disposal of PPE				1,822							
Total Expenditure		302,684	406,962	459,996	467,714	466,431	466,431	13,321	476,224	502,712	531,016
Surplus/(Deficit)		17,512	(35,023)	(37,891)	(90,762)	(64,160)	(64,510)	(13,321)	(48,327)	(42,132)	(38,321)
Transfers and subsidies - capital (monetary)		121,079	113,434	143,529	208,845	193,845	193,845		172,384	194,780	205,806
Surplus/(Deficit) after capital transfers & contributions		138,590	78,411	105,638	118,083	129,685	129,335	(13,321)	124,057	152,648	167,485

1.4 Operating Revenue Framework

	2017/2019	2018/2019	2019/2020	2019/2021
DESCRIPTION	FINAL	FINAL	FINAL	FINAL
SUB-TOTAL USER / LEVIED CHARGES	-95,066,608.33	-98,869,273	-104,202,162	-109,933,336
CLEARANCE CERTIFICATE	-3,200.87	-3,329	-3,509	-3,698
SUB-TOTAL GOVERNMENT GRANT AND SUBSIDIES	-498,510,576.00	-483,881,000	-532,680,000	-569,073,000
INTEREST	-23,868,960.03	-25,367,066	-26,736,888	-28,207,417
SUB-TOTAL RENT FACILITIES AND EQUIPMENT	-113,465	-118,003	-124,375	-131,216
SUB-TOTAL OTHER INCOME	-1,135,096.31	-586,430	-618,097	-652,093
SUB-TOTAL OPERATING INCOME GENERATING	-618,886,197.47	-608,825,101	-664,365,032	-708,000,759

The total revenue budget for 2018/19 is R 608,8-million compared with 2017/18 is R618,6-million which represents a decline in budget estimates of R10-million.

Moretele Municipality is still dependent on grants as a major contributor of revenue. The Gazetted Division of Revenue Act has confirmed the following transfers to the municipality: The revenue grants are R486-million for 2018/19 funded by transfers from Provincial and National Departments. The Provincial Bill has not yet issued for municipality to know allocations for 2018/19. The following narrations indicates all revenue to be received and Charged in 2018/19 financial years:

Grants and Subsidies- Operational Transfer

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		117,143	378,543	269,943	288,189	288,189	288,189	310,708	337,900	363,267
Local Government Equitable Share		117,143	260,987	263,905	284,500	284,500	284,500	306,721	335,220	360,155
Finance Management			1,675	1,810	2,145	2,145	2,145	2,215	2,680	3,112
Water Services Operating Subsidy			10,124		-	-				
EPWP Incentive			3,353	4,228	1,544	1,544	1,544	1,772	-	-
MIG			102,404							
Provincial Government:		353	906	1,005	1,477	1,127	1,127	789	-	-
Sport and Recreation		353	906	1,005	1,477	1,127	1,127	789		
Total Operating Transfers and Grants	5	117,496	379,449	270,948	289,666	289,316	289,316	311,497	337,900	363,267
Capital Transfers and Grants										
National Government:		8,366	-	153,119	193,845	193,845	193,845	172,384	194,780	205,806
Municipal Infrastructure Grant (MIG)				108,024	131,845	131,845	131,845	112,384	114,780	121,406
Regional Bulk Infrastructure				45,095	62,000	62,000	62,000	60,000	80,000	84,400
DWA AND EPWP		8,366								
Provincial Government:		-	-	-	15,000	-	-	-	-	-
Department of sport, art and recreation					15,000	-	-	-	-	-
Total Capital Transfers and Grants	5	8,366	-	153,119	208,845	193,845	193,845	172,384	194,780	205,806
TOTAL RECEIPTS OF TRANSFERS & GRANTS		125,862	379,449	424,067	498,511	483,161	483,161	483,881	532,680	569,073

■ **Equitable Share**

In terms of the 2018/19 Division of Revenue Act, the Equitable Share increases from R284,5-million in 2017/18 to R306,7-million in 2018/19 financial year, is projected to increase to R335,2-million in the 2019/2020 financial year and R360-million in the 2020/21. Equitable share contributes 63% of the total grants and Subsidies.

■ **Extended Public Works Programme Grant**

● In terms of the 2018/19 DoRA the EPWP has increased from R1,5-million to R1,7-million. This is due to the EPWP business plan which was revised in the middle of the year and affected spending in the first six months of the financial year. The funds will be used to fund salaries of EPWP officials and cleaning programme. The municipality intends to change the EPWP model to ensure an increased reporting taking into account the Water, Refuse and General cleaning services.

■ **Finance Management Grant (FMG)**

FMG has increased from R2,1-million in 2017/18 financial year to R2,2-million 2018/19, and will increased to R2,6-million in 2019/20 and R3,1-million in 2020/21. This grant is meant to provide capacity in Budget and Treasury Office by appointing five Interns and other programmes such as addressing MSOA, audit findings, training and capacity development. For 2018/19 there will be two vacancies after possible absorption of interns which the municipality aims to fill.

■ **Department of Sport, Art and Culture**

An amount of R500 000 was transferred to Municipality in the past financial years for Maubane Cultural Village, and the funds were not spent. The delay was on community disruption fighting for project ownership. Corresponds were done with the department and confirmation to continue with the project has been secured. This amount is not reported as revenue due to prior reporting when it was initially received.

2.2.1 Grants and Subsidies- Capital Transfers

Total capital grants for 2018/19 is R 172, 3, million inclusive of all listed grants below:

Municipal Infrastructure Grant

Allocation for MIG was R131, 8 million in 2017/18, it has decreased to R112, 3-million 2018/19. The projection reflects R114, 7-million in 2019/20 and slight increase to R121-million in 2020/21 financial year. Municipality has priorities water and sanitation on new projects and completion of MIG registered projects.

Department of Water Affairs

DWA allocation has decreased from R62-million in 2017/18 to R60-million in 2018/19 financial year, the grant will increase to R80-million in 2019/20 and R84.4 million in 2020/21. The grant is for Municipal water Infrastructure Grant. The grant will assist in fast racking water storage and reticulation projects.

2.2.2 Trading services- Water and Refuse

	ADJUST	2018/2019	2019/2020	2019/2021
	BALANCE	FINAL	FINAL	FINAL
USER / LEVIED CHARGES				
CHARGES : RATES AND TAXES	-47,798,763	-49,710,713	-52,395,092	-55,276,822
CHARGES : REFUSE REMOVAL	-18,843,730	-19,597,479	-20,655,743	-21,791,809
CHARGES : WATER SALES	-1,742,685	-1,812,392	-1,910,261	-2,015,326
CHARGES : WATER BASIC	-26,665,953	-27,732,592	-29,230,152	-30,837,810
CHARGES : YARD CONNECTIONS	-15,477	-16,096	-10,915	-11,570
	-	-	-	-
SUB-TOTAL USER / LEVIED CHARGES	-95,066,608.33	-98,869,273	-104,202,162	-109,933,336

It should be noted that property tax is not levied to cover the cost of water, or refuse removal services, but property rates is a tax to provide the municipality with the necessary sources of revenue to fulfil its developmental responsibilities. Local government as a sphere of government is dependent on tax as a form of main revenue which fund services such as community facilities and traffic control, disaster management services, town planning matters and development, cemeteries and roads etc.

As highlighted in Back to Basic Approach that “The viability of certain municipalities is a key concern. The low rate of collection of revenue continues to undermine the ability of municipalities to deliver services to communities. The collection for Moretele Municipality is still below 30%. The following projection are listed below 93% provision is done for debt impairment on trading services due to collection

■ **Property Rates**

Property Rates will be R49,7-million as they are regulated by Municipal Property Rated Acts. The payments of rates by households still a concern. The municipality is currently preparing its 2019/23 GV.

■ **Water and Refuse**

Water and Refuse removal anticipated revenue on services charges from water has been increased from R47million to R49-million in the 2018/19 with increase of 6.1% when compared with 2017/18 budget year, collection rate on this services is still below 30%, but provision is made for debt impairment. The current strategy is to apply flat rate on all areas receiving water through boreholes and water tankering.

Municipality will have revenue summit before the commencement of the 2018/19 budget year to come up with strategies to improve revenue collection in order to ensure that they deliver services in more efficient manner.

■ **Rental of facilities**

Rental of halls, municipal building such as office at MPCC is projected at R118 thousands in 2018/19, increased from R113 thousand in 2017/18 budget year.

■ **Interest on Investments**

The projected interest on investment has been projected to grow from R12,5 million in the 2017/18 to R13-million in 2018/19 financial year. The projected growth is based on cash flow management that will put in place to ensure that funds to not readily needed are preserved in interest accrued accounts..

■ **Other Revenue**

The projected revenue for other revenue is R326 thousand. The municipality anticipates an increase in tender documents and sundry income.

■ **Cash-back Reserves**

Currently the municipality has investment to the value of R50-million and estimated expenditure is R29-million. Therefore the municipality will be left with approximately R21-million at year end. The investments are held with VBS Mutual bank has balance of R50 million. The municipality has not had any communication in relation to the invested funds.

2 ANNUAL BUDGET TABLES (A1-A10)

Choose name from list - Table A1 Budget Summary

Description	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousands										
Financial Performance										
Property rates	40,412	44,835	44,933	47,799	47,799	47,799	-	49,380	52,046	54,909
Service charges	39,304	42,296	44,497	33,171	39,371	39,371	-	40,946	43,151	45,524
Investment revenue	13,230	7,132	11,996	12,533	12,533	12,533	-	13,578	14,311	15,098
Transfers recognised - operational	219,005	266,945	269,943	289,666	291,816	291,816	-	311,497	337,900	363,267
Other own revenue	1,542	23,470	50,813	12,501	12,773	12,773	-	12,497	13,172	13,897
Total Revenue (excluding capital transfers and contributions)	313,493	384,678	422,181	395,669	404,291	404,291	-	427,898	460,580	492,695
Employee costs	67,783	76,205	83,743	113,552	113,552	113,552	-	134,592	142,533	150,942
Remuneration of councillors	16,950	18,097	16,830	17,856	17,856	17,856	-	19,708	20,871	22,102
Depreciation & asset impairment	36,890	36,084	64,829	40,291	40,291	40,291	-	41,902	44,165	46,594
Finance charges	105	3,848	18,382	9,386	6,386	6,386	-	200	211	222
Materials and bulk purchases	38,810	33,039	51,219	49,624	54,201	54,201	-	46,369	48,873	51,561
Transfers and grants	10,346	-	-	20,366	5,951	5,951	-	14,732	15,528	16,382
Other expenditure	137,661	187,984	225,068	216,640	239,561	239,561	-	218,722	230,533	243,213
Total Expenditure	308,545	355,256	460,072	467,714	477,798	477,798	-	476,225	502,713	531,016
Surplus/(Deficit)	4,949	29,422	(37,891)	(72,045)	(73,507)	(73,507)	-	(48,328)	(42,132)	(38,321)
Transfers and subsidies - capital (monetary allocation)	191,273	113,434	143,529	208,845	221,845	193,845	-	172,384	194,780	205,806
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	196,222	142,856	105,638	136,800	148,338	120,338	-	124,056	152,648	167,485
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	196,222	142,856	105,638	136,800	148,338	120,338	-	124,056	152,648	167,485
Capital expenditure & funds sources										
Capital expenditure	138,521	291,961	97,523	208,438	202,172	202,172	-	197,384	194,780	205,806
Transfers recognised - capital	137,374	193,108	78,590	136,982	144,487	144,487	-	166,884	194,780	205,806
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	1,147	98,853	18,933	71,456	57,685	57,685	-	30,500	-	-
Total sources of capital funds	138,521	291,961	97,523	208,438	202,172	202,172	-	197,384	194,780	205,806
Financial position										
Total current assets	82,851	209,743	119,209	96,649	96,649	96,649	-	85,677	60,301	26,648
Total non current assets	589,998	882,393	991,149	1,088,709	1,136,396	1,136,396	-	892,030	1,042,645	1,201,857
Total current liabilities	78,146	240,397	225,968	43,614	43,614	43,614	-	40,997	36,897	38,927
Total non current liabilities	2,677	85,120	12,133	5,629	12,133	12,133	-	2,984	3,163	3,337
Community wealth/Equity	592,025	766,619	872,257	1,136,114	1,177,298	1,177,298	-	933,726	1,062,886	1,186,242
Cash flows										
Net cash from (used) operating	163,673	142,519	225,214	188,171	189,260	189,260	-	184,988	153,221	155,080
Net cash from (used) investing	(137,690)	(113,884)	(209,603)	(208,438)	(185,438)	(185,438)	-	(197,384)	(194,780)	(205,806)
Net cash from (used) financing	(30)	129,761	(113,182)	(47,000)	(47,000)	(47,000)	-	-	-	-
Cash/cash equivalents at the year end	46,439	158,396	60,825	(6,442)	17,646	17,646	-	5,251	(36,308)	(87,035)
Cash backing/surplus reconciliation										
Cash and investments available	46,439	158,396	64,297	30,833	30,833	30,833	-	5,251	(36,308)	(87,035)
Application of cash and investments	51,184	21,020	47,451	15,722	17,532	17,532	-	(11,307)	(26,010)	(35,168)
Balance - surplus (shortfall)	(4,746)	137,376	16,847	15,111	13,301	13,301	-	16,558	(10,298)	(51,866)
Asset management										
Asset register summary (WDV)	589,998	882,393	991,149	1,182,681	942,741	954,041	-	892,030	1,042,645	1,201,857
Depreciation	36,890	36,084	64,829	40,291	40,291	40,291	-	41,902	44,165	46,594
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	14,723	5,989	30,557	24,881	29,458	29,458	-	20,636	21,751	22,947
Free services										
Cost of Free Basic Services provided	-	-	-	14,097	319	319	8,213	8,213	8,656	9,132
Revenue cost of free services provided	-	-	-	-	7,578	7,578	331	331	349	368
Households below minimum service level										
Water:	-	-	-	26	26	26	26	26	25	24
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

A2: STATEMENT OF FINANCIAL PERFORMANCE BY FUNCTION CLASSIFICATION

Choose name from list - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue - Functional										
<i>Governance and administration</i>		274,189	455,816	521,213	353,912	356,412	356,412	378,598	411,324	440,735
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		274,189	455,816	521,213	353,912	356,412	356,412	378,598	411,324	440,735
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	16,477	1,127	1,127	789	-	-
Community and social services		-	-	-	1,477	1,127	1,127	789	-	-
Sport and recreation		-	-	-	15,000	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	250	250	250	260	274	289
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	-	-	250	250	250	260	274	289
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		230,577	42,296	44,497	233,876	240,348	240,347	220,634	243,762	257,476
Energy sources		-	-	-	-	-	-	-	-	-
Water management		214,800	25,366	26,344	116,131	116,131	116,131	88,653	108,326	114,278
Waste water management		15,777	16,931	18,153	-	-	-	112,384	114,780	121,406
Waste management		-	-	-	117,744	124,216	124,216	19,597	20,656	21,792
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	504,766	498,112	565,710	604,514	598,136	598,136	600,282	655,360	698,501
Expenditure - Functional										
<i>Governance and administration</i>		321,301	358,488	460,072	207,726	207,605	207,605	218,788	231,003	244,047
Executive and council		321,301	-	-	64,292	64,292	64,292	61,911	65,367	69,058
Finance and administration		-	358,488	460,072	143,434	143,313	143,313	152,681	161,198	170,294
Internal audit		-	-	-	-	-	-	4,195	4,438	4,695
<i>Community and public safety</i>		-	-	-	27,549	28,842	28,842	35,740	37,755	39,903
Community and social services		-	-	-	27,549	28,842	28,842	19,172	20,264	21,427
Sport and recreation		-	-	-	-	-	-	14,623	15,432	16,297
Public safety		-	-	-	-	-	-	1,362	1,441	1,524
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	584	618	654
<i>Economic and environmental services</i>		-	-	-	232,439	241,350	241,350	56,581	59,773	63,177
Planning and development		-	-	-	30,613	30,613	30,613	26,565	28,097	29,725
Road transport		-	-	-	201,826	210,737	210,737	30,016	31,677	33,453
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	165,116	174,181	183,889
Energy sources		-	-	-	-	-	-	13,177	13,889	14,652
Water management		-	-	-	-	-	-	125,709	132,647	140,070
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	26,230	27,646	29,167
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	321,301	358,488	460,072	467,714	477,798	477,798	476,225	502,713	531,016
Surplus/(Deficit) for the year		183,465	139,625	105,638	136,800	120,338	120,338	124,056	152,648	167,485

A3 STATEMENT OF FINANCIAL PERFORMANCE BY VOTE

Medium Term Revenue and Expenditure Framework (MTREF) Budget for 2018/19, 2019/20 to 2020/21 FY

Choose name from list - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand										
Revenue by Vote	1									
Vote 1 EXECUTIVE AND MAYOR		-	-	-	-	-	-	-	-	-
Vote 2 MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 3 - BUDGET AND TREASURY		267,257	333,552	377,608	353,912	356,412	356,412	378,598	411,324	440,729
BTO ADMIN		267,257	333,503	377,608	353,912	356,412	356,412	378,598	411,324	440,729
Vote 5 - INFRASTRUCTURE DEVELOPMENT SERVICES		173,658	157,593	188,026	233,876	240,348	240,347	220,634	243,762	257,482
ADMINISTRATION		2,546	-	-	-	-	-	-	-	-
WATER AND SANITATION		74,285	38,258	44,497	116,131	116,131	116,131	108,250	128,982	136,076
ROADS AND STORMWATER		-	-	-	-	-	-	-	-	-
PMU		96,827	119,335	143,529	117,744	124,216	124,216	112,384	114,780	121,406
Vote 6 - COMMUNITY DEVELOPMENT SERVICES		360	926	-	16,727	1,377	1,377	1,049	274	289
SPORTS, ART AND CULTURE		360	20	-	15,000	-	-	-	-	-
HEALTH		-	-	-	-	-	-	-	-	-
LIBRARIES		-	906	-	1,477	1,127	1,127	789	-	-
TRAFFIC		-	-	-	250	250	250	260	274	289
Total Revenue by Vote	2	441,275	492,073	565,634	604,514	598,136	598,136	600,282	655,360	698,501
Expenditure by Vote	1									
Vote 1 EXECUTIVE AND MAYOR		57,217	45,839	459,996	53,622	53,622	53,622	61,707	65,146	68,820
MAYOR AND COUNCIL		57,217	18,225	459,996	18,939	19,109	19,109	22,783	24,071	25,443
MAYOR AND COUNCIL SUPPORT		-	19,035	-	21,516	21,591	21,591	20,296	21,392	22,569
COMMUNICATION		-	1,103	-	2,317	2,317	2,317	2,889	3,055	3,231
COMMUNITY LIAISON OFFICER		-	7,467	-	10,439	10,194	10,194	15,247	16,109	17,028
PERFORMANCE MANAGEMENT		-	9	-	412	412	412	491	520	551
Vote 2 MUNICIPAL MANAGER		6,364	7,691	-	10,270	10,270	10,270	12,733	13,472	14,257
MUNICIPAL MANAGER'S ADMINISTRATOR		6,364	1,928	-	3,059	3,059	3,059	3,094	3,275	3,468
IDP		-	2,413	-	3,244	3,114	3,114	5,444	5,759	6,094
INTERNAL AUDIT		-	3,350	-	3,967	4,097	4,097	4,195	4,438	4,695
Vote 3 - BUDGET AND TREASURY		28,409	28,494	-	44,413	42,412	42,412	54,725	57,828	61,133
BTO ADMIN		28,409	16,908	-	18,535	16,835	16,835	16,083	16,961	17,903
REVENUE UNIT		-	6,693	-	15,625	14,995	14,995	25,778	27,258	28,831
EXPENDITURE AND BUDGET		-	3,376	-	3,630	3,630	3,630	4,665	4,939	5,230
SCM UNIT		-	1,517	-	4,955	5,306	5,306	8,200	8,669	9,169
3.5 - ASSETS MANAGEMENT UNIT		-	-	-	1,667	1,646	1,646	-	-	-
Vote 4 - HUMAN RESOURCE AND CORPORATE SERVICES		123,401	96,915	-	97,854	99,733	99,733	95,067	100,316	105,930
ADMINISTRATION		123,401	44,638	-	43,914	43,404	43,404	39,607	41,817	44,177
INFORMATION TECHNOLOGY		-	5,750	-	31,214	32,581	32,581	35,963	37,916	40,010
HUMAN RESOURCE		-	46,527	-	22,726	23,749	23,749	19,497	20,583	21,743
Vote 5 - INFRASTRUCTURE DEVELOPMENT SERVICES		142,154	143,072	-	203,834	212,745	212,745	175,122	184,699	194,959
ADMINISTRATION		142,154	46,527	-	11,495	11,495	11,495	2,555	2,704	2,862
WATER AND SANITATION		-	85,614	-	150,492	158,533	158,533	125,740	132,581	139,917
ROADS AND STORMWATER		-	444	-	24,921	24,469	24,469	27,782	29,313	30,950
PMU		-	75	-	5,783	5,578	5,578	5,867	6,212	6,577
ELECTRICITY		-	10,412	-	11,142	12,670	12,670	13,177	13,889	14,652
Vote 6 - COMMUNITY DEVELOPMENT SERVICES		12,873	15,831	-	28,110	29,403	29,403	37,974	40,119	42,406
ADMINISTRATION		12,873	836	-	1,825	2,656	2,656	1,722	1,815	1,915
SOCIAL SERVICES		-	7,772	-	7,889	8,143	8,143	15,750	16,654	17,615
DISASTER MANAGEMENT		-	1,010	-	1,199	1,199	1,199	1,362	1,441	1,524
SPORTS, ART AND CULTURE		-	3,625	-	13,448	13,448	13,448	14,623	15,432	16,297
HEALTH		-	441	-	484	484	484	584	618	654
LIBRARIES		-	956	-	1,519	1,519	1,519	1,699	1,795	1,898
TRAFFIC		-	1,192	-	1,746	1,954	1,954	2,234	2,364	2,503
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
Vote 7 - LOCAL ECONOMIC DEVELOPMENT AND PLANNING		-	20,200	-	29,613	29,613	29,613	38,928	41,068	43,358
PLANNING AND DEVELOPMENT		-	20,200	-	22,346	21,792	21,792	34,237	36,124	38,142
LOCAL ECONOMIC DEVELOPMENT		-	-	-	3,838	4,190	4,190	2,216	2,336	2,464
LAND AND TRADITIONAL AFFAIRS		-	-	-	3,428	3,631	3,631	2,474	2,608	2,751
Total Expenditure by Vote	2	370,417	358,043	459,996	467,714	477,798	477,798	476,257	502,647	530,863
Surplus/(Deficit) for the year	2	70,858	134,030	105,638	136,800	120,338	120,338	124,025	152,713	167,637

A4 STATEMENT OF FINANCIAL PERFORMANCE BY VOTE

Choose name from list - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1										
Revenue By Source											
Property rates	2	40,412	44,835	44,933	47,799	47,799	47,799	-	49,380	52,046	54,909
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	23,527	25,366	26,344	20,846	20,846	20,846	-	21,680	22,845	24,101
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	15,777	16,931	18,153	12,325	18,525	18,525	-	19,266	20,306	21,423
Service charges - other		84	97	84	113	113	113	-	118	124	131
Rental of facilities and equipment		13,230	7,132	11,996	12,533	12,533	12,533	-	13,578	14,311	15,098
Interest earned - external investments		-	15,767	6,685	11,336	11,336	11,336	-	11,790	12,426	13,110
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-	-
Licences and permits		-	-	-	-	-	-	-	-	-	-
Agency services		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies		219,005	266,945	269,943	289,666	291,816	291,816	-	311,497	337,900	363,267
Other revenue	2	1,459	7,606	44,043	863	1,135	1,135	-	590	622	656
Gains on disposal of PPE		-	-	-	188	188	188	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		313,493	384,678	422,181	395,669	404,291	404,291	-	427,898	460,580	492,695
Expenditure By Type											
Employee related costs	2	67,783	76,205	83,743	113,552	113,552	113,552	-	134,592	142,533	150,942
Remuneration of councillors		16,950	18,097	16,830	17,856	17,856	17,856	-	19,708	20,871	22,102
Debt impairment	3	47,164	51,867	54,147	44,653	44,653	44,653	-	46,439	42,868	45,226
Depreciation & asset impairment	2	36,890	36,084	64,829	40,291	40,291	40,291	-	41,902	44,165	46,594
Finance charges		105	3,848	18,382	9,386	6,386	6,386	-	200	211	222
Bulk purchases	2	24,087	17,767	20,645	24,743	24,743	24,743	-	25,732	27,122	28,613
Other materials	8	14,723	15,272	30,574	24,881	29,458	29,458	-	20,636	21,751	22,947
Contracted services		21,427	40,536	62,187	47,427	51,635	51,635	-	49,497	52,170	55,039
Transfers and subsidies		10,346	-	-	20,366	5,951	5,951	-	14,732	15,528	16,382
Other expenditure	4, 5	69,070	95,580	106,912	124,560	143,274	143,274	-	122,786	135,495	142,948
Loss on disposal of PPE		-	-	1,822	-	-	-	-	-	-	-
Total Expenditure		308,545	355,256	460,072	467,714	477,798	477,798	-	476,225	502,713	531,016
Surplus/(Deficit)											
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		4,949	29,422	(37,891)	(72,045)	(73,507)	(73,507)	-	(48,328)	(42,132)	(38,321)
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Education Institutions, etc.)	6	191,273	113,434	143,529	208,845	221,845	193,845	-	172,384	194,780	205,806
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		196,222	142,856	105,638	136,800	148,338	120,338	-	124,056	152,648	167,485
Taxation		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		196,222	142,856	105,638	136,800	148,338	120,338	-	124,056	152,648	167,485
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		196,222	142,856	105,638	136,800	148,338	120,338	-	124,056	152,648	167,485
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		196,222	142,856	105,638	136,800	148,338	120,338	-	124,056	152,648	167,485

A5 CAPITAL BUDGET

Choose name from list - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding										
Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Capital expenditure - Vote										
Multi-year expenditure to be appropriated	2									
Vote 1 - EXECUTIVE AND MAYOR		-	-	-	18,850	15,445	15,445	10,000	-	-
Vote 2 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 3 - BUDGET AND TREASURY OFFICE		-	-	-	-	-	-	-	-	-
Vote 4 - HUMAN RESOURCE AND CORPORATE SERVICES		1,147	98,853	18,435	16,900	2,200	2,200	15,300	-	-
Vote 5 - TECHNICAL SERVICES		137,374	181,702	79,087	142,088	177,313	177,313	150,400	181,852	205,806
Vote 6 - COMMUNITY DEVELOPMENT SERVICES		-	11,406	-	30,600	7,214	7,214	17,184	12,928	-
Total Capital Expenditure - Vote		138,521	291,961	97,523	208,438	202,172	202,172	197,384	194,780	205,806
Capital Expenditure - Functional										
Governance and administration		1,147	98,853	18,435	35,750	17,645	17,645	25,300	-	-
Executive and council					18,850	15,445	15,445	10,000	-	-
Finance and administration		1,147	98,853	18,435	16,900	2,200	2,200	15,300		
Internal audit										
Community and public safety		-	11,406	-	40,256	13,334	13,334	21,184	22,928	-
Community and social services			11,406					700		
Sport and recreation					30,600	7,214	7,214	16,484	12,928	-
Public safety					9,656	6,120	6,120	4,000	10,000	-
Housing										
Health										
Economic and environmental services		103,745	90,257	43,084	43,432	67,971	67,971	45,500	26,352	49,000
Planning and development								4,500		
Road transport		103,745	90,257	43,084	43,432	67,971	67,971	41,000	26,352	49,000
Environmental protection										
Trading services		33,629	91,445	36,004	89,000	103,222	103,222	105,400	145,500	156,806
Energy sources		166	8,366	497					8,500	4,806
Water management		33,463	83,080	35,432	89,000	103,222	103,222	56,892	105,000	134,000
Waste water management		1		75				48,508	32,000	18,000
Waste management										
Other			-							
Total Capital Expenditure - Functional	3	138,521	291,961	97,523	208,438	202,172	202,172	197,384	194,780	205,806
Funded by:										
National Government		137,374	193,108	78,590	121,982	144,487	144,487	166,884	194,780	205,806
Provincial Government					15,000	-	-			
District Municipality										
Other transfers and grants										
Transfers recognised - capital	4	137,374	193,108	78,590	136,982	144,487	144,487	166,884	194,780	205,806
Public contributions & donations	5									
Borrowing	6									
Internally generated funds		1,147	98,853	18,933	71,456	57,685	57,685	30,500		
Total Capital Funding	7	138,521	291,961	97,523	208,438	202,172	202,172	197,384	194,780	205,806

A6 STATEMENT OF FINANCIAL POSITION

Choose name from list - Table A6 Budgeted Financial Position

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
ASSETS											
Current assets											
Cash		46,439	158,396	65,490	30,833	30,833	30,833		5,251	(36,308)	(87,035)
Call investment deposits	1	-	-	-	-	-	-	-	-	-	-
Consumer debtors	1	27,787	21,395	29,854	65,816	65,816	65,816	-	80,426	96,609	113,683
Other debtors		7,711	17,512	15,911							
Current portion of long-term receivables			11,952	7,349							
Inventory	2	914	488	604							
Total current assets		82,851	209,743	119,209	96,649	96,649	96,649	-	85,677	60,301	26,648
Non current assets											
Long-term receivables											
Investments											
Investment property			5,876	5,876							
Investment in Associate											
Property, plant and equipment	3	589,998	843,622	963,343	1,088,709	1,136,396	1,136,396	-	892,030	1,042,645	1,201,857
Agricultural											
Biological											
Intangible			32,895	21,930							
Other non-current assets											
Total non current assets		589,998	882,393	991,149	1,088,709	1,136,396	1,136,396	-	892,030	1,042,645	1,201,857
TOTAL ASSETS		672,849	1,092,136	1,110,358	1,185,358	1,233,045	1,233,045	-	977,707	1,102,946	1,228,505
LIABILITIES											
Current liabilities											
Bank overdraft	1			1,193							
Borrowing	4	44	181,836	147,885	-	-	-	-	-	-	-
Consumer deposits											
Trade and other payables	4	78,102	58,561	76,890	43,614	43,614	43,614	-	40,997	36,897	38,927
Provisions											
Total current liabilities		78,146	240,397	225,968	43,614	43,614	43,614	-	40,997	36,897	38,927
Non current liabilities											
Borrowing		-	72,800	-	2,815	-	-	-	-	-	-
Provisions		2,677	12,320	12,133	2,815	12,133	12,133	-	2,984	3,163	3,337
Total non current liabilities		2,677	85,120	12,133	5,629	12,133	12,133	-	2,984	3,163	3,337
TOTAL LIABILITIES		80,823	325,517	238,100	49,243	55,746	55,746	-	43,981	40,060	42,263
NET ASSETS	5	592,025	766,619	872,257	1,136,114	1,177,298	1,177,298	-	933,726	1,062,886	1,186,242
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		592,025	766,619	872,257	1,136,114	1,177,298	1,177,298		933,726	1,062,886	1,186,242
Reserves	4	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5	592,025	766,619	872,257	1,136,114	1,177,298	1,177,298	-	933,726	1,062,886	1,186,242

A7 CASHFLOW STATEMENT

Medium Term Revenue and Expenditure Framework (MTREF) Budget for 2018/19, 2019/20 to 2020/21 FY

Choose name from list - Table A7 Budgeted Cash Flows

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates				44,747	38,000	38,000	38,000	49,380	52,046	54,909
Service charges		60,209	89,244	44,496	1,418	1,418	1,418	16,782	17,772	18,821
Other revenue		1,408	713	971	113	113	113	708	746	787
Government - operating	1	419,732	377,313	298,870	286,645	286,645	286,645	311,497	337,900	363,267
Government - capital	1			143,529	211,866	196,866	196,866	172,384	194,780	205,806
Interest		13,230	23,603	8,523	12,533	12,533	12,533	13,578	14,311	15,098
Dividends						-	-	-	-	-
Payments										
Suppliers and employees		(330,801)	(346,278)	(315,923)	(332,652)	(325,764)	(325,764)	(372,951)	(457,601)	(496,504)
Finance charges		(105)	(2,076)		(9,386)	(6,386)	(6,386)	(200)	(211)	(222)
Transfers and Grants	1				(20,366)	(14,166)	(14,166)	(6,189)	(6,523)	(6,882)
NET CASH FROM/(USED) OPERATING ACTIVITIES		163,673	142,519	225,214	188,171	189,260	189,260	184,988	153,221	155,080
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		831		(1,822)				-	-	-
Decrease (Increase) in non-current debtors								-	-	-
Decrease (Increase) other non-current receivables								-	-	-
Decrease (Increase) in non-current investments								-	-	-
Payments										
Capital assets		(138,521)	(113,884)	(207,781)	(208,438)	(185,438)	(185,438)	(197,384)	(194,780)	(205,806)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(137,690)	(113,884)	(209,603)	(208,438)	(185,438)	(185,438)	(197,384)	(194,780)	(205,806)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-	-	-
Borrowing long term/refinancing			148,800	11,952				-	-	-
Increase (decrease) in consumer deposits								-	-	-
Payments										
Repayment of borrowing		(30)	(19,039)	(125,134)	(47,000)	(47,000)	(47,000)	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		(30)	129,761	(113,182)	(47,000)	(47,000)	(47,000)	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		25,953	158,396	(97,571)	(67,267)	(43,178)	(43,178)	(12,396)	(41,559)	(50,726)
Cash/cash equivalents at the year begin:	2	20,486	-	158,396	60,825	60,825	60,825	17,646	5,251	(36,308)
Cash/cash equivalents at the year end:	2	46,439	158,396	60,825	(6,442)	17,646	17,646	5,251	(36,308)	(87,035)

A8 CASH BACKED RESERVE

Choose name from list - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Cash and investments available											
Cash/cash equivalents at the year end	1	46,439	158,396	60,825	(6,442)	17,646	17,646	-	5,251	(36,308)	(87,035)
Other current investments > 90 days		-	0	3,473	37,275	13,186	13,186	-	-	-	-
Non current assets - investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		46,439	158,396	64,297	30,833	30,833	30,833	-	5,251	(36,308)	(87,035)
Application of cash and investments											
Unspent conditional transfers		10,007	941	29,867	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	41,178	20,080	17,583	15,722	17,532	17,532	-	(11,307)	(26,010)	(35,168)
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		51,184	21,020	47,451	15,722	17,532	17,532	-	(11,307)	(26,010)	(35,168)
Surplus(shortfall)		(4,746)	137,376	16,847	15,111	13,301	13,301	-	16,558	(10,298)	(51,866)

A9 ASSETS MANAGEMENT

Medium Term Revenue and Expenditure Framework (MTREF) Budget for 2018/19, 2019/20 to 2020/21 FY

Choose name from list - Table A9 Asset Management										
Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
CAPITAL EXPENDITURE										
Total New Assets	1	138,521	291,961	97,523	208,438	202,172	202,172	197,384	194,780	205,806
Roads Infrastructure		103,745	90,257	43,084	43,432	67,971	67,971	41,000	26,352	49,000
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		166	8,366	497	9,656	6,120	6,120	4,000	18,500	4,806
Water Supply Infrastructure		33,463	83,080	35,432	89,000	92,222	92,222	56,892	105,000	134,000
Sanitation Infrastructure		1	-	75	-	-	-	48,508	32,000	18,000
Information and Communication Infrastructure		-	32,895	-	15,000	-	-	15,300	-	-
Infrastructure		137,374	214,597	79,087	157,088	166,313	166,313	165,700	181,852	205,806
Community Facilities		-	11,406	-	500	500	500	700	-	-
Sport and Recreation Facilities		-	-	-	7,214	7,214	7,214	16,484	12,928	-
Community Assets		-	11,406	-	7,714	7,714	7,714	17,184	12,928	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	5,876	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	4,500	-	-
Investment properties		-	5,876	-	-	-	-	4,500	-	-
Operational Buildings		-	-	-	18,850	16,195	16,195	10,000	-	-
Housing		1,147	60,082	18,435	12,835	-	-	-	-	-
Other Assets		1,147	60,082	18,435	31,685	16,195	16,195	10,000	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	600	600	600	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	11,350	11,350	11,350	-	-	-
Total Capital Expenditure	4									
Roads Infrastructure		103,745	90,257	43,084	43,432	67,971	67,971	41,000	26,352	49,000
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		166	8,366	497	9,656	6,120	6,120	4,000	18,500	4,806
Water Supply Infrastructure		33,463	83,080	35,432	89,000	92,222	92,222	56,892	105,000	134,000
Sanitation Infrastructure		1	-	75	-	-	-	48,508	32,000	18,000
Information and Communication Infrastructure		-	32,895	-	15,000	-	-	15,300	-	-
Infrastructure		137,374	214,597	79,087	157,088	166,313	166,313	165,700	181,852	205,806
Community Facilities		-	11,406	-	500	500	500	700	-	-
Sport and Recreation Facilities		-	-	-	7,214	7,214	7,214	16,484	12,928	-
Community Assets		-	11,406	-	7,714	7,714	7,714	17,184	12,928	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	5,876	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	4,500	-	-
Investment properties		-	5,876	-	-	-	-	4,500	-	-
Operational Buildings		-	-	-	18,850	16,195	16,195	10,000	-	-
Housing		1,147	60,082	18,435	12,835	-	-	-	-	-
Other Assets		1,147	60,082	18,435	31,685	16,195	16,195	10,000	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	600	600	600	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	11,350	11,350	11,350	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		138,521	291,961	97,523	208,438	202,172	202,172	197,384	194,780	205,806
ASSET REGISTER SUMMARY - PPE (WDV)	5									
Roads Infrastructure		416,440	296,424	380,324	413,706	433,244	433,244	284,578	221,350	360,684
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		166	34,673	26,804	35,304	38,840	38,840	42,840	52,840	57,646
Water Supply Infrastructure		33,463	237,191	325,199	412,199	414,611	414,611	471,502	576,502	710,502
Sanitation Infrastructure		1	3,608	3,573	3,573	3,573	3,573	19,000	124,000	18,000
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	784	784	784	784	-	-	-
Infrastructure		450,069	571,896	736,683	865,565	891,052	891,052	817,921	974,692	1,146,832
Community Facilities		-	66,185	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	25,600	6,664	6,664	19,084	12,928	-
Community Assets		-	66,185	-	25,600	6,664	6,664	19,084	12,928	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	5,876	21,930	47,680	45,025	45,025	55,025	55,025	55,025
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	5,876	21,930	47,680	45,025	45,025	55,025	55,025	55,025
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	32,895	5,876	5,876	-	-	-	-	-
Intangible Assets		-	32,895	5,876	5,876	-	-	-	-	-
Computer Equipment		139,928	205,541	226,660	226,660	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	11,300	-	11,300	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	589,998	882,393	991,149	1,182,681	942,741	954,041	892,030	1,042,645	1,201,857

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
EXPENDITURE OTHER ITEMS										
Depreciation	7	36,890	36,084	64,829	40,291	40,291	40,291	41,902	44,165	46,594
Repairs and Maintenance by Asset Class	3	14,723	5,989	30,557	24,881	29,458	29,458	20,636	21,751	22,947
Roads Infrastructure		67	-	112	905	-	205	213	225	237
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		2,756	1,684	5,550	3,177	3,422	3,422	3,559	3,751	3,957
Water Supply Infrastructure		8,080	2,819	15,851	13,048	5,948	5,948	6,186	6,520	6,879
Sanitation Infrastructure		1,337	180	6,991	3,959	15,559	15,559	6,181	6,515	6,873
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		12,239	4,683	28,505	21,089	25,133	25,133	16,139	17,010	17,946
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		2,484	1,306	2,053	2,446	2,277	2,277	2,368	2,496	2,634
Housing		-	-	-	-	-	-	-	-	-
Other Assets		2,484	1,306	2,053	2,446	2,277	2,277	2,368	2,496	2,634
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	23	23	23	24	25	26
Furniture and Office Equipment		-	-	-	48	30	30	31	33	35
Machinery and Equipment		-	-	-	-	19	19	20	21	22
Transport Assets		-	-	-	1,275	1,975	1,975	2,054	2,165	2,284
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		51,613	42,073	95,386	65,172	69,749	69,749	62,539	65,916	69,541

A10 BASIC SERVICES

Choose name from list - Table A10 Basic service delivery measurement										
Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Household service targets	1									
Water:										
Piped water inside dwelling		-	-	-	25	25	25	25	25	25
Piped water inside yard (but not in dwelling)		-	-	-	16,844	16,844	16,844	16,844	17,882	18,920
Using public tap (at least min.service level)	2	-	-	-	9,020	9,020	9,020	9,020	9,020	9,020
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
Minimum Service Level and Above sub-total		-	-	-	25,889	25,889	25,889	25,889	26,927	27,965
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	26,174	26,174	26,174	26,174	25,136	24,098
No water supply		-	-	-	-	-	-	-	-	-
Below Minimum Service Level sub-total		-	-	-	26,174	26,174	26,174	26,174	25,136	24,098
Total number of households	5	-	-	-	52,063	52,063	52,063	52,063	52,063	52,063
Refuse:										
Removed at least once a week		52,063	52,063	52,063	52,063	52,063	52,063	52,063	52,063	52,063
Minimum Service Level and Above sub-total		52,063	52,063	52,063	52,063	52,063	52,063	52,063	52,063	52,063
Total number of households	5	52,063	52,063	52,063	52,063	52,063	52,063	52,063	52,063	52,063
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		-	-	-	25,889	25,889	25,889	25,889	26,927	27,965
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month)		-	-	-	7,578	-	-	7,881	8,307	8,763
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed once a week for indigent households)		-	-	-	6,519	319	319	332	349	369
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		-	-	-	-	-	-	-	-	-
Total cost of FBS provided		-	-	-	14,097	319	319	8,213	8,656	9,132
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)										
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		-	-	-	-	-	-	331	349	368
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	7,578	7,578	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other	6									
Total revenue cost of subsidised services provided		-	-	-	-	7,578	7,578	331	349	368

1.5 Operating Expenditure Framework

According to Back to Basic Approach, Municipalities must be well governed and demonstrate good governance and administration - cut wastage, spend public funds prudently, hire competent staff, ensure transparency and accountability. The budget of 2018/19 has prioritised activities that will address good governance and improve stake holder consultations. The budget will also focus on capacitating the existing staff to meet required minimum competencies as required by Treasury Regulations.

The budget Circular 91 of MFMA should be taken into consideration for cost containment in relation to all expenditures to be incurred.

The total operational expenditure budget for 2018/19 is R476,5-million and is divided as follows;

DESCRIPTION	2018/2019	2019/2020	2019/2021
	FINAL	FINAL	FINAL
TOTAL EMPLOYEE/COUNCILLORS RELATED COS	154,300,000	163,403,700	173,044,518
SUB-TOTAL GENERAL EXPENSES DEPARTEMENT	184,156,503	194,100,954	204,776,506
SUB-TOTAL GEN EXPEND BULK PURCHASES	25,732,221	27,121,761	28,613,458
SUB-TOTAL GENERAL EXPEN - CONTR SERVICES	49,497,236	52,170,086	55,039,441
TOTAL REPAIR AND MAINTENANCE	20,636,496	21,750,867	22,947,165
TOTAL DEPRECIATION	41,902,483	44,165,217	46,594,304
TOTAL EXPENDITURE	476,224,938	502,712,585	531,015,392

1.5.1 Salaries and allowances

➤ Salaries

The 2018/19 budget for salaries and allowances has grown to R154-million with 18% increase when compared with the adjusted budget of R131-million 2017/18 financial year. The cost of living increase has been projected at 7%. There increment of 7% is through guidelines provided in Circular 81 of MFMA from National Treasury. The negotiations have not been finalised. The municipality has considered various measures to mitigate a higher cost of living adjustment.

The total employee related cost is 32% of the total operational expenditure budget, which is in line with the suggested norms.

➤ Councilors Allowances

Wards were reduced from 28 to 26, which resulted in 52 councillors. The budget of R19 million for 2018/19 has taken into account the previous upper limits trends.

1.5.3 Bulk Purchases

The budget for bulk purchase was R24,7 million in 2017/18 financial year and for 2018/19 is R24,7-million, this is as a result of the projected City of Tshwane bulk water tariffs. Municipality has been experiencing insufficient water supply.

1.5.4 Repairs and Maintenance

New imaginative ways must be explored to encourage more efficient use of resources and to generate the required funding for the maintenance, renewal and expansion of infrastructure to ensure effective service delivery. The budget is 4% of the total operating budget. This will include, maintenance of high mast lights, water and Roads and to the amount of R 20-million.

The guiding norm is 8% of the total property plant and equipment. Municipality's backlog on

roads and water, has a direct impact on budget for repairs and maintenance, more focus is still on infrastructure development.

1.5.6 Free basic services

Municipality is intending to register at 12 thousands indigent household to benefit on basic service. Budget provisions has been set aside to assist communities with the following social packages and are included in the budget for indigent households total budget is R14-million:

- 10 kl free basic water services at a cost of R 7,8-million
- 50kWh free basic services for electricity at a cost of R 6,1-million
- Free basic service on refuse removal services at R349- thousand
- Rebates on property tax at R 331 thousand

1.5.7 Contracted services and consulting services

Contracted services

The total contracted services decreased from R51-million to R49-million which is 10% of the 2018/19 total operating budget. It is apportioned as follows:

- Water supply in Moretele is still a challenges, this forces the municipality to augment water supply by using water tankering in areas where there is no reticulation or boreholes. The total costs for 2018/19 is R10,9 million as compared to adjusted budget of R18,2-million and it has decreased to R8,2-million. The decrease is due to the anticipated completion on Klipvoer dam upgrade project, The trucks have been reduced to 20 for 2018/19.
- The Refuse removal adjusted budget for 2017/18 is R15,4-million and is increased to R26-million in 2018/19 budget, this is due to the cleaning of landfill sites .
- Security services will reduce from R16,3-million to R11,9-million, the municipality must reconsider the security manning model.

Consulting Services

The adjusted budget for consulting services in 2017/18 is R37-million and has been reduced to R36-million in 2018/19 budget year. The reduction is apportioned as follows;

- VAT annual review for 2018/19, this is a risk base appointment..

- Fixed Asset Management Register-Budget of R2,5 million has been budgeted to deal with PPE. Capacity constraints still imminent in asset unit, only two Asset Officer .A skill transfer plan has been put in place. A manger from Revenue Unit has been seconded to the unit.
- Reviewing of annual financial statements:-Budget of R2 – million is allocated to assist with compilation of review of annual financial statement (AFS), municipal officials will compile all components of AFS and technical review will be done by the appointed service provider as well as support during audit.
- Upgrading Financial Management System has a budget of R2,5-million for this budget year. The reason for external assistance is to deal with financial reforms on municipal standard chart of accounting. The process has started in the current year and there was a budget shortfall to pay the required service as per Transversal Contract.
- HR and Corporates Services has a budget of R 21.2 million for the IT and HR sub units for effective IT systems, also to address audit findings raised on the IT system.
- Customer Care call centre service to the value R7-million to address all complains from the community and enhance community participation. Queries of service delivery are registered on the centre.

1.5.8 General Expenditure

Local Economic Development/Job Creation Programmes and Community Development

Priority has being given to maximize job creation by ensuring that service delivery and capital projects use labour intensive methods wherever appropriate by:

- ✓ Ensuring that service providers use labour intensive approaches, community projects through Letsema le Bolotse, which has 390 people spread from all wards with stipend of R1,000 ordinary employees and R1,200 supervisors per month, with a total budget of R4,6-million. The uniform and working equipment's for the Letsema le Bolotse employees is also included in the R4,6-million.
- ✓ Implementing interns programmes to provide young people with on the-job training, provision for five(5) interns in Budget are funded by FMG grant.

Improving quality of education and skilling of Community Members

✓ In responding to the objectives of National Development plan , Municipality has set aside R520 thousands for bursary to assist members of community to acquire relevant skills that will improve job opportunity within and outside Moretele.

1.5.9 Public Participation Programmes

Mayors outreach programmes

Budget of R1-million is allocated for Mayor's outreach programme such as Rebona ka Mathlo, Tsetsepela, Mini Imbizo's, Ephala Kalafi, Sejo Sennye ga se fete molomo and Setsokotsane to address service delivery challenges and monitoring and evaluation of projects in progress. The benefits on this programme is that the Executives are in contact with the community. The budget will also include Intergovernmental Relations and Protocol Programmes This will deal with compliance on public participation with community engagement. Council conducts this session per quarter to ensures that communication is done with community.

Imbizo

The amount of R1.1 million will also cater for all imbizos in 2018/19. In addition to that, council conducts monthly community meetings to provide progress on council programmes and projects.

1.5.10 Ward committee Programme

The 2017/18 adjusted budget was R3,9 million and it is now increased to R4-million to provide for ward committee stipend and training .

1.5.11 Maintenance of Call Centre

The budget of R7 million is provided for call centre, which is other mechanisms of opening communication with council. The customer care is incorporated into it. Queries of service delivery are registered on the centre to improve communication and query management.

1.5.12 Community Programme

The listed programmes are meant for community benefits, this includes the following:

Sports and Culture

The sports and arts programme with total budget of R800 thousands.

Library programme

R700 thousand has put aside to fund all library programmes.

1.5.13 Disaster Programmes

An amount of R400 thousand has been budgeted to address disaster assistance in times of need. The budget will be used to buy blankets and food in unforeseeable circumstances exist. Due to the fact the disaster management is not function, such funding can be claimed from District.

1.5.14 Social Development

Budget for social services Projects is R 460 thousands. The budget is for social issues such as child care facilities, the aged and disability forums.

1.5.15 Institutional Capacity through Training and Bursary for further Education

Training of personnel and councillors

The projects has a budget of R3,1 million, which it is intended for training for officials and councillors.

Bursaries of staff

Bursary of staff for capacity building is R400 000. The budget is for new intake and is for continuation of previous years bursary intake. Municipality is planning to support all managers to comply with municipal competency regulations.

1.5.16 Governance

Auditing and Risk Management

An amount of R380 thousand has been budgeted for MPAC for oversight programme, an amount of R590 thousand for Audit Committee and Risk Management and R3,8-million for external Audit.

1.5.19 Performance Management

An amount of R447 thousand for 2018/19 is made available for cascading down performance management system to lower level. This budget will also assist with performance bonus of senior managers should they be authorised.

1.5.20 Depreciation

Depreciation budget for 2018/19 is 41-million and the adjusted budget 2017/18 is 40-million. In previous years it was not allocated properly, however it is now corrected.

1.6 Capital expenditure

The total capital budget is R197-million and is funded by MIG with R106-million, DWA R60-million, and Internal funding of R30-million. Therefore is 85% capital budget funded by grants, however there is an improvement as the internally funding is 15% of the total capital budget.

Municipality is still facing challenges in satisfying all communities in terms of water supply. Water tankering is used a short term mechanism, in the meantime while boreholes are being constructed. DWA is assisting council with installation of bulk line and storage facilities on Klipdrift Scheme; this will reduce the water shortage in a long term. .

The capital expenditure is apportioned as follows;

TABLE A5

Choose name from list - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding											
Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Capital Expenditure - Functional											
<i>Governance and administration</i>		-	64,387	18,435	35,750	17,645	17,645	-	25,300	-	-
Executive and council					18,850	15,445	15,445		10,000	-	-
Finance and administration			64,387	18,435	16,900	2,200	2,200		15,300		
Internal audit											
<i>Community and public safety</i>		-	20,131	-	40,256	13,334	13,334	-	21,184	22,928	-
Community and social services									700		
Sport and recreation			20,131		30,600	7,214	7,214		16,484	12,928	-
Public safety					9,656	6,120	6,120		4,000	10,000	-
Housing											
Health											
<i>Economic and environmental services</i>		103,894	100,035	43,084	43,432	67,971	67,971	-	45,500	26,352	49,000
Planning and development									4,500		
Road transport		103,894	100,035	43,084	43,432	67,971	67,971		41,000	26,352	49,000
Environmental protection											
<i>Trading services</i>		33,629	80,103	36,004	89,000	86,588	86,588	-	105,400	145,500	156,806
Energy sources		166	8,366	497						8,500	4,806
Water management		33,463	71,737	35,432					56,892	105,000	134,000
Waste water management		1		75	89,000	86,588	86,588		48,508	32,000	18,000
Waste management											
<i>Other</i>			485								
Total Capital Expenditure - Functional	3	137,523	265,142	97,523	208,438	185,538	185,538	-	197,384	194,780	205,806
Funded by:											
National Government		137,523	113,434	78,590	121,982	127,853	127,853		166,884	194,780	205,806
Provincial Government					15,000	-	-				
District Municipality											
Other transfers and grants											
Transfers recognised - capital	4	137,523	113,434	78,590	136,982	127,853	127,853	-	166,884	194,780	205,806
Public contributions & donations	5										
Borrowing	6		86,836	18,933							
Internally generated funds			64,872		71,456	57,685	57,685		30,500		
Total Capital Funding	7	137,523	265,142	97,523	208,438	185,538	185,538	-	197,384	194,780	205,806



- Water R56,8-million or 25% of the total capital budget, funded by MIG and DWA
- Roads R41-million or 21% of the total capital budget and funded by MIG

- High mast Light R4-million or 2% of the total capital budget and funded by own cash-back reserves
- Sports facilities R16,-million or 8% of the total capital budget and funded by MIG and Department of Sports, Art and Culture
- Other Assets 30-million or 16% of the total capital budget and funded by own cash-back reserves, this include the followings:-

CAPITAL BUDGET DETAILS

	CAPITAL BUDGET 2018/19			
Description	MIG 2018/19	DWS 2018/19	Internal Fundin	Total Budget 2018/19
WATER	24,900,000	31,491,586	500,000	56,891,586
Ward 3 water supply (yard connection)		11,543,070.00		11,543,070
(Previous) Ward 5 water supply	15,000,000.00			15,000,000
Mmakaunyane water project (VTSD)	2,900,000.00			2,900,000
Ward 7 water project (VTSD)	7,000,000.00			7,000,000
Motla Catchment			500,000.00	500,000
WSIG				-
ward 4, Lebotlwane RDP		9,180,864.00		9,180,864
WCDM 13, 14, 15, 16, 17, 18, 22		10,767,651.60		10,767,652

Description	MIG 2018/19	DWS 2018/19	Internal Fundin	Total Budget 2018/19
SANITATION	20,000,000	28,508,414	-	48,508,414
Ward 18 Mathibestad Basic Sanitation (VTSD)	5,000,000			5,000,000
Ward 24 Mathibestad Basic Sanitation (VTSD)	5,000,000			5,000,000
Ward 26 Basic Sanitation Phase III	5,000,000			5,000,000
Ward 23 Basic Sanitation Phase I	5,000,000			5,000,000
Ward 12,16,17,19,21&22 Basic sanitation		28,508,414		28,508,414

Description	MIG 2018/19	DWS 2018/19	Internal Funding	Total Budget 2018/19
ROADS	41,000,000	-	-	41,000,000
Construction of Thulwe bridge	26,000,000			26,000,000
Upgrading of Mogogelo internal road Phase II	15,000,000			15,000,000
SPORTS FACILITIES/COMMUNITY HALL	16,484,000	-	-	16,484,000
Ward 3,9 & 22 sports complex	15,000,000			15,000,000
Ward 1 Community Hall	1,484,000			1,484,000
HIGH MAST LIGHTING	-	-	4,000,000	4,000,000
Ward 14 high mast lights			4,000,000.00	4,000,000

Description	MIG 2018/19	DWS 2018/19	Internal Funding	Total Budget 2018/19
BUILDING			25,000,000.00	25,000,000.00
New council chamber			10,000,000	10,000,000
ICT Cabling (New council chambers)			15,000,000	15,000,000
OTHER	4,500,000	-	1,000,000	5,500,000
Construction of Landfill site	4,500,000			
Carousel view ward office			700,000	1,000,000
Maintenance vehicle			300,000	
PMU ADMIN. FEES	-			-
Managemen fees	-			
Total Capital Budget	106,884,000	60,000,000	30,500,000	197,384,000

There is an amount of R48-million for Sanitation which is funded by MIG and WSIG. This expenditure categorised as operational expenditure as it does not meet the recognition criteria of GRA 17 or GRAP 16.

Basic Sanitation

Description	MIG 2018/19	DWS 2018/19	Internal Fundin	Total Budget 2018/19
SANITATION	20,000,000	28,508,414	-	48,508,414
Ward 18 Mathibestad Basic Sanitation (VTSD)	5,000,000			5,000,000
Ward 24 Mathibestad Basic Sanitation (VTSD)	5,000,000			5,000,000
Ward 26 Basic Sanitation Phase III	5,000,000			5,000,000
Ward 23 Basic Sanitation Phase I	5,000,000			5,000,000
Ward 12,16,17,19,21&22 Basic sanitation		28,508,414		28,508,414

● This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.

● The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.

Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position

Part 2 – Supporting Documentation

4 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Portfolio Committee for Budget and Treasury

The primary aims of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2017) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule on August 2017
Key dates applicable to the process were:

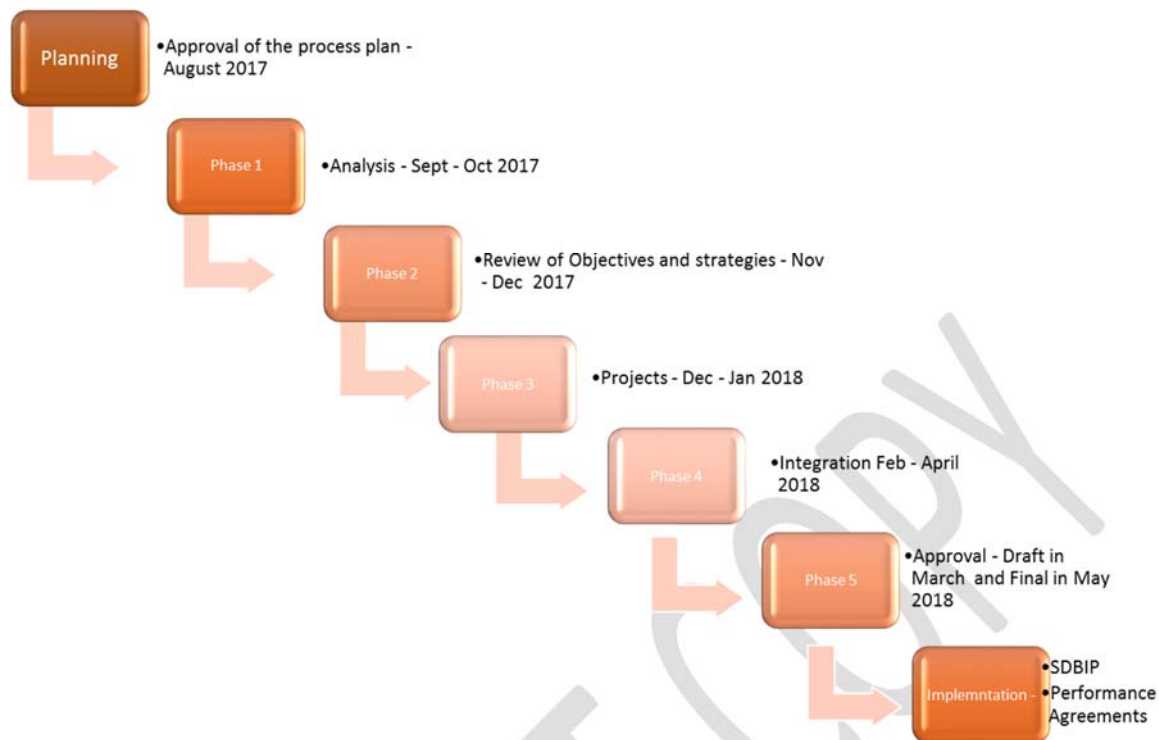
- **idp process plan**

There were no deviations from the key dates set out in the Budget Time Schedule tabled in Council.



IDP and Service Delivery and Budget Implementation Plan

This is the second review of the IDP as adopted by Council in May 2018. It started in August 2017 after the tabling of the IDP Process Plan and the Budget Time Schedule for the 2018/19 MTREF.



The Council's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to this cycle included the following key IDP processes and deliverables:

- **Registration of community needs;**
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and

The IDP has been taken into a business and financial planning process leading up to the 2018/19 MTREF, based on the approved 2016/17 MTREF, Mid-year Review and adjustments

budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2018/19 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2017/18 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

Financial Modelling and Key Planning Drivers

As part of the compilation of the 2018/19 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2018/19 MTREF:

- Council's growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e inflation, Eskom increases, and household debt)
- Performance trends
- The approved 2017/18 adjustments budget and performance against the SDBIP
- Cash Flow Management
- Debtor payment levels
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

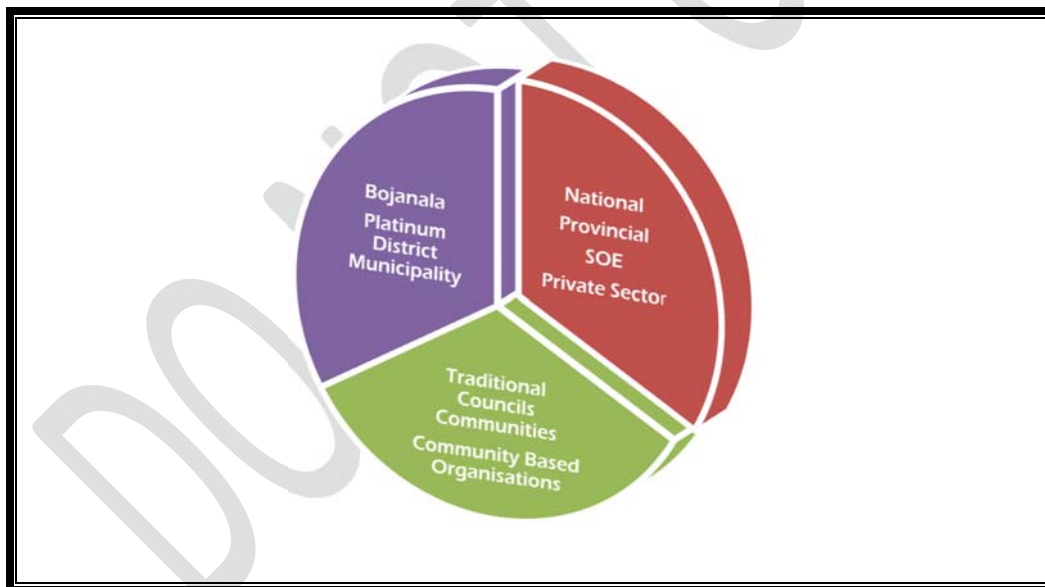
In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 91 has been taken into consideration in the planning and prioritisation process.

Community Consultation

The draft 2018/19 MTREF as tabled before Council on 30 March 2018 for community consultation was published on the municipality's website, and hard copies were made available at ward offices, municipal notice boards and various libraries

- After the approval by Council. A notice was placed on one of the national newspapers inviting comments from interested stakeholders
- An IDP Representative Forum was convened in April 2018 with a view of inviting comments on the Draft IDP and Budget.

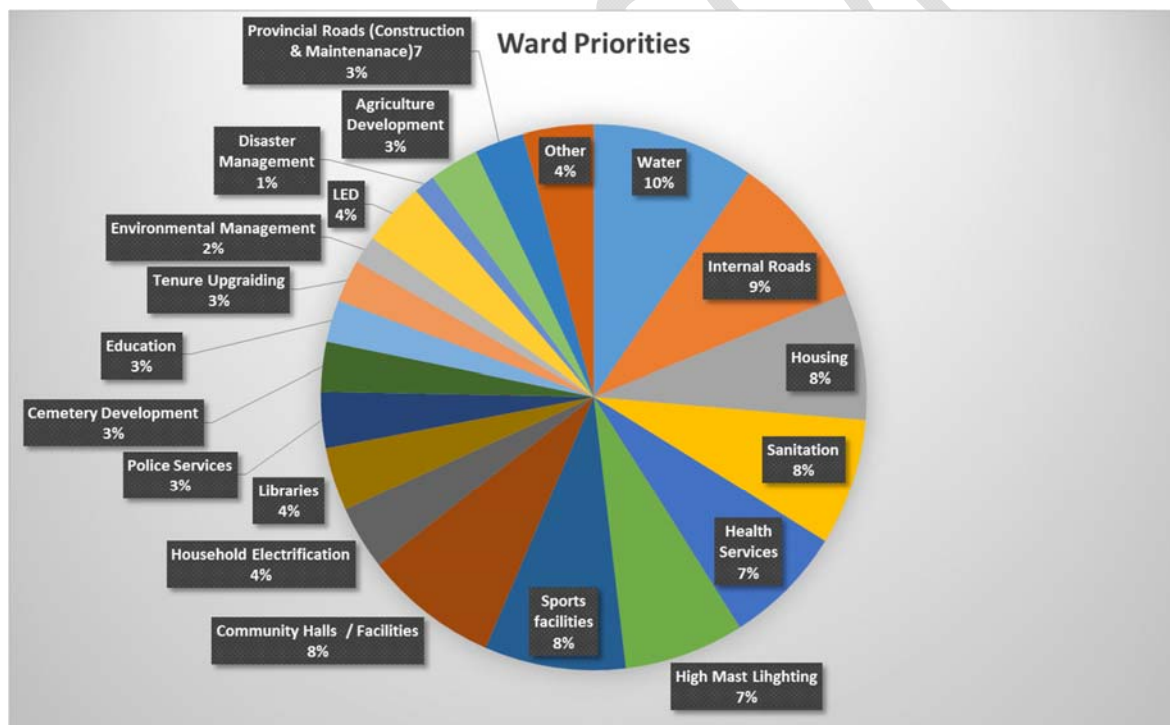
All documents in the appropriate format (electronic and printed) were provided to National and Provincial Treasuries, in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs. Wards and organized structures were utilised to facilitate the community consultation process during April and May 2018.

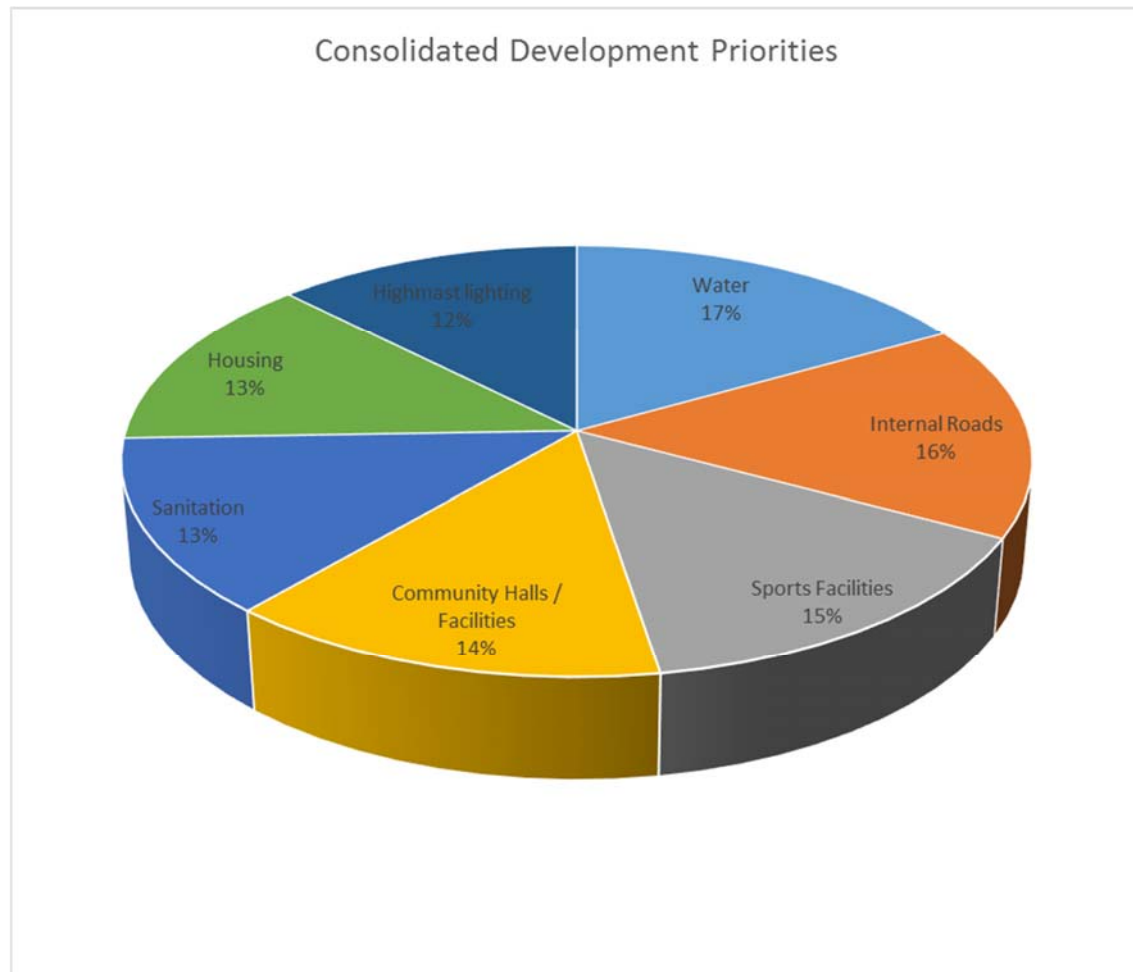


Submissions received during the community consultation process and additional information regarding revenue and expenditure and individual capital projects were addressed, and where relevant considered as part of the finalisation of the 2018/19 MTREF.

The following are some of the issues and concerns raised as well as comments received during the consultation process:

- Several complaints were received regarding poor service delivery, especially waste removal backlogs and the state of road infrastructure;
- Poor performance of contractors relating to infrastructure development and maintenance especially in the areas of road construction and maintenance were raised;
- In sufficient budget for roads and high mast lights
- During the community consultation process large sections of the community made it clear that they are not in favour of any further tariff increases to fund additional budget requests. They indicated that the municipality must do more to ensure efficiencies and value for money.





New Municipal Development Priorities (Page 27 of the IDP)

1. Water
2. Internal roads
3. Sports facilities
4. Community halls / Facilities

5. Sanitation

6. Housing

7. High-mast Lighting

There were no significant changes effected in the final 2018/19 MTREF compared to the draft 2018/19 MTREF that was tabled for community consultation, include:

- Internally funded projects were reduced, bring internal funding total to R3 - million;
- Increase funding for ward 13 municipal office
- A further 1% reduction on all operation line items and contracted services.

5 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the City, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the City strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the City's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPis);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2014 Vision;

- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2018/19 MTREF and further planning refinements that have directly informed the compilation of the budget.

Table 1 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

Choose name from list - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)												
Strategic Objective	Goal	Goal Code	Ref	2014/15 Audited Outcome	2015/16 Audited Outcome	2016/17 Audited Outcome	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand							Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Financial Viability	Service Charges			79,716	87,132	89,430	80,970	87,170	87,170	90,326	95,198	100,433
Financial Viability	Rental Facility			84	97	84	113	113	113	118	124	131
Financial Viability	Interest			13,230	22,899	18,681	23,869	23,869	23,869	25,367	26,737	28,207
Financial Viability	Operational Grants			219,005	266,945	269,943	289,666	291,816	291,816	311,497	337,900	363,267
Financial Viability	Capital Grants			191,273	113,434	143,529	208,845	221,845	193,845	172,384	194,780	205,806
Financial Viability	Other Revenue by source			1,459	7,606	44,043	863	1,135	1,135	590	622	656
Financial Viability	Profit on disposal of PPE						188	188	188			
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	504,766	498,112	565,710	604,514	626,136	598,136	600,282	655,361	698,501

The table below demonstrates alignment of the budget to the IDP.

Description	Total Budget 2018/19	PRIORITY AS A PERCENTAGE OF THE BUDGET	COMMUNITY PRIORITIES (Page 27 of IDP)	COMMENTS / JUSTIFICATION
WATER	56,891,586	29%	17%	Priority aligned
SANITATION	48,508,414	25%	13%	Priority aligned
ROADS	41,000,000	21%	16%	Priority aligned
SPORTS FACILITIES/COMMUNITY HALL	16,484,000	8%	29%	Priority not aligned due to MIG funding requirements
HIGH MAST LIGHTING	4,000,000	2%	13%	Priority not aligned due to MIG funding requirements
BUILDING	25,000,000.00	13%	0%	Projects are internally funded and do not form part of community priority but are necessary enablers for service delivery
OTHER	5,500,000	3%	0%	
Total Capital Budget	197,384,000	100%		

Table 2 IDP Strategic Objectives

Key Performance Area	Defined Strategic Objectives
Basic services and infrastructure development	To ensure adequate access of basic service to the households in the municipal jurisdiction
Municipal Financial Viability and Management	To ensure and promote Financial Viability & Management
Local Economic Development	<ul style="list-style-type: none"> Build and support Broad-based black Economic Empowerment and Sustainable SMME's business development Revive and expedite development of alternative high value economic growth sectors Maintain a safe, healthy and social cohesive environment for all Develop and sustainable spatial ,natural & built environment
Institutional Development and Transformation	To promote Institutional Development and Transformation
Good Governance and Public Participation	<ul style="list-style-type: none"> To promote and enhance integrated and sustainable municipal planning, development and performance

	<ul style="list-style-type: none"> • To provide independent, objective assurance and consulting services with regards to control, risk management and governance processes designed to add value and improve the Municipality's operations. • To promote participatory democracy and stakeholder involvement
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MBRR Reconciliation between the IDP strategic objectives and budgeted capital expenditure

6 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assesses and reviews organisational performance which in turn is directly departmental implementation plans.

Planning, budgeting and reporting cycle

The performance of the municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. Municipality has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the City in its integrated performance management system are aligned to the **Framework of Managing Programme Performance Information** issued by the National Treasury.

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

MBRR - Measurable performance objectives

Key Performance Area	Defined Strategic Objectives
Basic services and infrastructure development	To ensure adequate access of basic service to the households in the municipal jurisdiction
Municipal Financial Viability and Management	To ensure and promote Financial Viability & Management
Local Economic Development	<ul style="list-style-type: none"> • Build and support Broad-based black Economic Empowerment and Sustainable SMME's business development • Revive and expedite development of alternative high value economic growth sectors

	<ul style="list-style-type: none"> • Maintain a safe, healthy and social cohesive environment for all • Develop and sustainable spatial ,natural & built environment
Institutional Development and Transformation	To promote Institutional Development and Transformation
Good Governance and Public Participation	<ul style="list-style-type: none"> • To promote and enhance integrated and sustainable municipal planning, development and performance • To provide independent, objective assurance and consulting services with regards to control, risk management and governance processes designed to add value and improve the Municipality's operations. • To promote participatory democracy and stakeholder involvement

sets out the municipalities main performance objectives and benchmarks for the 2017/18 MTREF.

Table 3 MBRR Table SA8 - Performance indicators and benchmarks

Measurable performance indicators	Baseline	2018/2019 Budget Allocation	Impact
The percentage of households with access to basic level of water, sanitation, electricity and solid waste removal;	Water access = 78%	R 56 891 586	Ward 3 water supply (yard connection)
			(Previous) Ward 5 water supply
			Mmakaunyane water project (VTSD)
			Ward 7 water project (VTSD)
			Motla Catchment
	Sanitation access = 56%	R 48 508 414	ward 4, Lebotlwane RDP

			WCDM 13, 14, 15, 16, 17, 18, 22
	Electricity access = 96%	R 4 000 000	Only highmast lights

i. Performance indicators and benchmarks

1. Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position.

2. Revenue Management

- As part of the financial sustainability strategy, enhance revenue management strategy has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection.

3. Creditors Management

- Municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice, though there are still few cases that payment is done outside the period.

4. Other Indicators

- The water distribution losses have been managed but not to the satisfaction of the municipality.

ii. Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality.

iii. Providing clean water and managing waste water

Municipality is the Water Services Authority for the entire municipality in terms of the Water Services Act, 1997 and acts as water services provider.

We have set aside a total of R56,8 million for Water to be spend on the following projects:

CAPITAL BUDGET 2018/19				
Description	MIG 2018/19	DWS 2018/19	Internal Fundin	Total Budget 2018/19
WATER	24,900,000	31,491,586	500,000	56,891,586
Ward 3 water supply (yard connection)		11,543,070.00		11,543,070
(Previous) Ward 5 water supply	15,000,000.00			15,000,000
Mmakaunyane water project (VTSD)	2,900,000.00			2,900,000
Ward 7 water project (VTSD)	7,000,000.00			7,000,000
Motla Catchment			500,000.00	500,000
WSIG				-
ward 4, Lebotlwane RDP		9,180,864.00		9,180,864
WCDM 13, 14, 15, 16, 17, 18, 22		10,767,651.60		10,767,652

7 Overview of budget related-policies

UNCHANGED POLICIES

The following policies remain unchanged:

- 1.1 Asset management policy
- 1.2 Debt and Impairment policy
- 1.3 Budget Policy
- 1.4 Cash and Investment policy
- 1.5 Bursary policy

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

Review of credit control and debt collection procedures/policies

The 2018/19 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 50 per cent on current billings. Water supply is expected to improve because the upgrade of Klipdrift bulk water supply is completing. This will result in increasing capacity and be able to implement credit control policy where non-payment is experienced. No review of the policy is undertaken in this budget

Asset Management Policy

The Asset Management Policy is considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance and is utilised as a guide to the selection and prioritisation of individual capital projects. In addition the policy prescribes the accounting and administrative procedures relating to property, plant and equipment (fixed assets) to be in compliance with GRAP. . No review of the policy is undertaken in this budget

Supply Chain Management Policy

The Supply Chain Management Policy was amended to address gaps identified during audit. SCM policy does not specify the listing criteria, only the exclusions are listed and amendment is also done on to comply circular 77. The policy was reviewed to be aligned with the Central Supplier Database.

Budget and Virement Policy

The policy did not have definition, which resulted in different interpretation of votes and resulted in audit findings by external auditors. There was also omission on the timeline for budget adjustment, as required by Municipal Budget and Reporting Regulations.

The adjustments budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management practices of municipalities. To ensure that the City continues to deliver on its core mandate and achieves its developmental goals, the mid-year review and adjustment budget process will be utilised to ensure that underperforming functions are identified and funds redirected to performing functions.

Cash Management and Investment Policy

The aim of the policy is to ensure that the municipality's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. This policy has no changes but requires strict enforcement.

Tariff policy

The proposed tariffs are increased for services.6% for water related service for the financial year 2018/2019. The municipality's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery.

Property Rates Policy

The amendments made on the Property Rates Policy was property category. The category will be determined by actual use/dominant use of the property. The Municipal Valuer will be responsible for the categorizing of properties and the maintenance thereof as any change in use of a property may result in a change to the category. The categories that are determined

in line with section 8(1) of the MPRA. All the above policies are available on the municipality's website, as well as the following budget related policies:

Indigent Policy.

Policy governs the social package to assist residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality. The following amendments have been made :

Part 2

Previously read R 3000.00

✓ *A household whose combined gross monthly income of all members over 18 years of age must not exceed combined monthly government grants R4000.00 per month.*

An additional qualifying criteria has been added

✓ *Indigent applicants can further be targeted through the approved municipal valuation roll. The households are referred to as deemed households. These individuals who live together in a single residential property and qualifies for indigent relief based on the use and value of property as determined in terms of general valuation roll. Municipal value of property does not exceed maximum value as determined by Council's assessment rates tariff policy (not to exceed R150 000.00). These indigents will be approved automatically on the basis of the value of the house being that of an RDP standard or below*

An additional criteria

PART 2.2 DEEMED HOUSEHOLDS

Households within the following categories of properties will be deemed to be indigent households and qualify automatically for receiving the indigent subsidy:

(a) the property is used for residential purposes only as reflected in General Valuation roll;

(b) residential exclusion as per Property Rates Act 2004 (Act No 6 of 2004) is applicable to property;

(c) municipal value of property does not exceed maximum value R 150 000

Indigent relief will be withdrawn where upon verification the deemed indigent household, including occupants/residents and/or dependants residing on the property, as the case may be, -

(a) receive significant benefits or regular monetary income that is above the indigent qualification threshold;

(b) owner of property owns more than one (1) property, registered individually or jointly.

An additional part to validity period

Validity Period

- ✓ *The indigent register is a living document, it is therefore not linked to the term of office of council rather to the life of the household owner and or indigent applicant.*
- ✓ *Deemed households are reviewed every 5 years as per the MPRA*
- ✓ *Reapplication process to continuous for the duration of each financial, to be conducted by means of verification by councillors to verify status change for all applicants other than pensioners and deemed indigent households.*

The impact of the amendments to the policy will increase the number of indigent applicants which may be accepted into the system.

8 Overview of budget assumptions

The macro-economic forecasts which were considered in preparing the 2018/19 MTREF municipal budgets are set out below:

Fiscal year	2017/18	2018/19	2019/20	2020/21
	ESTIMATE		FORECAST	
Consumer Price Inflation (CPI)	5.3%	5.3%	5.4%	5.5%
Real GDP growth	1.0%	1.5%	1.8%	2.1%

2018/19 Financial Year employee's annual increment provision was placed at 6.9%. The South African Local Government Bargaining Council is still negotiating another three year wage agreement. The conservative assumption is based on the circular 91 of the MFMA.

Municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance. In this regard the municipality has increased its budget with 6%. This is based on previous trends.

Bulk purchase is increased with 5.3% of the CPI

Increases on revenue income is between 0% on rates and 6.1% on other trading services.

Eskom cost on consumption and free basic service is projected on 5.3%

2.6.1 KEY FACTORS WHICH INFLUENCED THE 2018/19 BUDGET ARE AS FOLLOWS:

National Treasury MFMA Budget's Circulars 91 was used to guide the compilation of the municipality's budget and medium term revenue and expenditure framework (MTREF) for the 2018/2019 financial year.

MFMA Circular No 91 Municipal Budget Circular for the 2018/19 MTREF provided that the ability of customers to pay for services is declining and this means that less revenue will be collected. Therefore municipalities must consider the following when compiling their 2018/19 MTREF budgets:

- Improving the effectiveness of revenue management processes and procedures;
- Paying special attention to cost containment measures by, amongst other things, controlling unnecessary spending on nice-to-have items and non-essential activities;
- The affordability of providing free basic services to all households; and
- Curbing consumption of water and electricity by the indigents to ensure that they do not exceed their allocation.

REVENUE BUDGET

- maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality-
- pay careful attention to the differential incidence of tariff increases across all consumer groups.

ESKOM BULK TARIFFS INCREASES

- The municipality is not licensed for electricity, therefore no ESKOM tariffs were not considered in the preparation of the budget bulk purchases.

THE IMPACT OF VAT INCREASE ON TARIFFS

The increase in VAT from 14% to 15% will affect the contract prices of all contract concluded before the increase was announced. This provision has been accommodated in the budget.

Collection rate for revenue services

The base assumption is that tariff and rating should not increase beyond the CPI. Therefore the increase has been curbed to the recommendations as per circular 91.

The performance of arrear collections is considered as a source of additional cash in-flow once the performance has been carefully monitored.

Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 97 per cent is achieved on operating expenditure and 98 per cent on the capital programme for the 2018/19 MTREF of which performance has been factored into the cash flow budget.

9 Overview of budget funding

The operational budget is mainly funded by the Equitable Share which accounts for 63% of the grants received. The MIG and WSIG has decreased for 2018/19. The own revenue has been conservatively increased in accordance with circular 91. The consideration for the collection rate has also been taken into account. The collection rate remains below 30% on outstanding debt and is at 48% against current billing.

The rural nature of the municipality must be reflected through the indigent support for the poor. The projected increase in indigent subsidies has also been taken into consideration. The indigent management policy has been revised to consider the deemed method of verification.

The proposed tariffs for the 2018/19 financial year are within reasonable limits. The tariffs take into account the property rates levies which are approved in terms of the MPRA. There has been no increase in the land TAX for 2018/19.

Cash reserves are not guaranteed due to the municipality being invested with a bank which has been placed under curatorship. The invested funds amount to R50-million of which R21-million is municipal funds and the remaining is MSIG funds.

The municipality disposed assets in the previous financial year (2016/17) and therefore there are not expected proceeds from sales of assets.

The municipality is not planning on borrowing for capital projects in the near future but will constrain itself to the MIG funding.

10 Expenditure on transfers and grant programmes

Table 4 MBRR SA19 -

Choose name from list - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		117,143	378,543	269,943	288,189	288,189	288,189	310,708	337,900	363,267
Local Government Equitable Share		117,143	260,987	263,905	284,500	284,500	284,500	306,721	335,220	360,155
		-	-	-	-	-	-	-	-	-
Finance Management		-	1,675	1,810	2,145	2,145	2,145	2,215	2,680	3,112
Water Services Operating Subsidy		-	10,124	-	-	-	-	-	-	-
EPWP Incentive		-	3,353	4,228	1,544	1,544	1,544	1,772	-	-
		-	-	-	-	-	-	-	-	-
MIG		-	102,404	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Provincial Government:		353	906	1,005	1,477	1,127	1,127	789	-	-
Sport and Recreation		353	906	1,005	1,477	1,127	1,127	789	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
MIG		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	2,500	2,500	-	-	-
(insert description)		-	-	-	-	2,500	2,500	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
(insert description)		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants		117,496	379,449	270,948	289,666	291,816	291,816	311,497	337,900	363,267
Capital expenditure of Transfers and Grants										
National Government:		8,366	-	153,119	193,845	221,845	221,845	172,384	194,780	205,806
Municipal Infrastructure Grant (MIG)		-	-	108,024	131,845	159,845	159,845	112,384	114,780	121,406
Regional Bulk Infrastructure		-	-	45,095	62,000	62,000	62,000	60,000	80,000	84,400
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
DWA AND EPWP		8,366	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Provincial Government:		-	-	-	15,000	-	-	-	-	-
Department of sport, art and recreation		-	-	-	15,000	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
(insert description)		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
(insert description)		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		8,366	-	153,119	208,845	221,845	221,845	172,384	194,780	205,806
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		125,862	379,449	424,067	498,511	513,661	513,661	483,881	532,680	569,073

11

12 Reconciliation between of transfers, grant receipts and unspent funds

Table 5 MBRR SA 20

Choose name from list - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand										
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts		117,143	378,543	269,943	288,189	288,189	288,189	310,708	337,900	363,267
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		117,143	378,543	269,943	288,189	288,189	288,189	310,708	337,900	363,267
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts		353	906	1,005	1,477	1,127	1,127	789	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		353	906	1,005	1,477	1,127	1,127	789	-	-
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts		-	-	-	-	2,500	2,500	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	2,500	2,500	-	-	-
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
Total operating transfers and grants revenue		-	-	-	-	-	-	-	-	-
Total operating transfers and grants - CTBM	2	117,496	379,449	270,948	289,666	291,816	291,816	311,497	337,900	363,267
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts		8,366	-	153,119	193,845	221,845	221,845	172,384	194,780	205,806
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		8,366	-	153,119	193,845	221,845	221,845	172,384	194,780	205,806
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts		-	-	-	15,000	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	15,000	-	-	-	-	-
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
Total capital transfers and grants revenue		-	-	-	-	-	-	-	-	-
Total capital transfers and grants - CTBM	2	8,366	-	153,119	208,845	221,845	221,845	172,384	194,780	205,806
TOTAL TRANSFERS AND GRANTS REVENUE		-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS - CTBM		125,862	379,449	424,067	498,511	513,661	513,661	483,881	532,680	569,073

13 Councillor and employee benefits

14 Summary of councilor and staff benefits

Table 6 MBRR SA22 –

Choose name from list - Supporting Table SA22 Summary councillor and staff benefits										
Summary of Employee and Councillor remuneration	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		10,494		16,809	11,670	11,670	11,670	11,092	11,746	12,440
Pension and UIF Contributions		1,578			2,750	2,750	2,750	1,957	2,073	2,195
Medical Aid Contributions		28						-	-	-
Motor Vehicle Allowance		4,034			4,862	4,862	4,862	4,350	4,606	4,878
Cellphone Allowance		1,336			1,627	1,627	1,627	2,122	2,247	2,379
Housing Allowances								-	-	-
Other benefits and allowances					117	117	117	187	198	210
Sub Total - Councillors		17,470	-	16,809	21,026	21,026	21,026	19,708	20,871	22,102
% increase	4		(100.0%)	-	25.1%	-	-	(6.3%)	5.9%	5.9%
Senior Managers of the Municipality	2									
Basic Salaries and Wages				5,011	7,749	7,749	7,749	6,127	6,489	6,872
Pension and UIF Contributions					-				-	-
Medical Aid Contributions					-				-	-
Overtime					-				-	-
Performance Bonus					646	646	646	511	541	573
Sub Total - Senior Managers of Municipality		-	-	5,011	8,395	8,395	8,395	6,638	7,030	7,444
% increase	4		-	-	67.5%	-	-	(20.9%)	5.9%	5.9%
Other Municipal Staff										
Basic Salaries and Wages		42,587		54,645	67,404	67,404	67,404	81,705	86,526	91,631
Pension and UIF Contributions		6,706		8,373	12,234	12,234	12,234	13,321	14,107	14,939
Medical Aid Contributions		3,376		4,648	6,866	6,866	6,866	9,576	10,141	10,739
Overtime		1,293		2,066	3,064	3,064	3,064	2,512	2,660	2,817
Performance Bonus		2,397		3,068	3,884	3,884	3,884	6,404	6,781	7,182
Motor Vehicle Allowance	3	7,609		10,043	6,958	6,958	6,958	9,490	10,050	10,643
Cellphone Allowance	3				963	963	963	1,296	1,372	1,453
Housing Allowances	3	186		297	133	133	133	2,582	2,735	2,896
Other benefits and allowances	3	824		619	482	482	482	1,068	1,131	1,197
Payments in lieu of leave		2,488			-	-	-	-	-	-
Long service awards		301								
Post-retirement benefit obligations	6									
Sub Total - Other Municipal Staff		67,767	-	83,758	101,987	101,987	101,987	127,954	135,503	143,498
% increase	4		(100.0%)	-	21.8%	-	-	25.5%	5.9%	5.9%
Total Parent Municipality		85,237	-	105,578	131,408	131,408	131,408	154,300	163,403	173,044
			(100.0%)	-	24.5%	-	-	17.4%	5.9%	5.9%
Board Members of Entities										
Total Municipal Entities		-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS		85,237	-	105,578	131,408	131,408	131,408	154,300	163,403	173,044
% increase	4		(100.0%)	-	24.5%	-	-	17.4%	5.9%	5.9%
TOTAL MANAGERS AND STAFF	5,7	67,767	-	88,769	110,382	110,382	110,382	134,592	142,533	150,942

15 14.1 Salaries, allowances and benefits (political office bearers/councillors/ senior managers) Table 7 MBRR SA23

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4		429,865	75,859	212,975			718,698
Chief Whip			402,999	71,117	202,439			676,555
Executive Mayor			537,331	94,823	255,118			887,272
Deputy Executive Mayor								-
Executive Committee			2,014,995	355,587	1,012,194			3,382,776
Total for all other councillors			7,706,850	1,360,032	4,975,894			14,042,777
Total Councillors	8	-	11,092,040	1,957,419	6,658,619			19,708,078
Senior Managers of the Municipality	5							
Municipal Manager (MM)			1,043,436			86,953		1,130,389
Chief Finance Officer			1,016,791			84,733		1,101,524
Infrastructure Development Services			1,016,791			84,733		1,101,524
Community Development services Director			1,016,791			84,733		1,101,524
Local Economic Development Director			1,016,791			84,733		1,101,524
HR and Corporate services			1,016,791			84,733		1,101,524
Total Senior Managers of the Municipality	8,10	-	6,127,393	-	-	510,616		6,638,009
Total for municipal entities	8,10	-	-	-	-	-		-
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	-	17,219,433	1,957,419	6,658,619	510,616		26,346,087

16 14.2 Summary of personnel numbers

Table 8 MBRR SA24 –

Choose name from list - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2016/17			Current Year 2017/18			Budget Year 2018/19		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)	4	55	–	55	52	–	52			52
Board Members of municipal entities	5									
Municipal employees	3									
Municipal Manager and Senior Managers	7									
Other Managers										
Professionals		14	14	–	14	14	–	8	14	–
Finance		8	8		8	8		8	8	
Spatial/town planning										
Information Technology		1	1		1	1			1	
Roads										
Electricity										
Water										
Sanitation										
Refuse										
Other		5	5		5	5			5	
Technicians		84	58	26	118	92	26	118	92	26
Finance		12	11	1	12	11	1	12	11	1
Spatial/town planning		–			–					
Information Technology		–			–					
Roads		6	2	4	6	2	4	6	2	4
Electricity		–			–					
Water		14	3	11	14	3	11	14	3	11
Sanitation		–			–					
Refuse		–			–					
Other		52	42	10	86	76	10	86	76	10
Clerks (Clerical and administrative)		24	24		24	24		24	24	
Service and sales workers		–			–					
Skilled agricultural and fishery workers		–			–					
Craft and related trades		–			–					
Plant and Machine Operators		9	9		9	9		9	9	
Elementary Occupations		112	112		112	112		112	112	
TOTAL PERSONNEL NUMBERS	9	298	217	81	329	251	78	271	251	78
% increase					10.4%	15.7%	(3.7%)	(17.6%)	–	–
Total municipal employees headcount	6, 10									
Finance personnel headcount	8, 10									
Human Resources personnel headcount	8, 10									

17 Budgeted monthly revenue and expenditure (municipal vote) MBRR SA26

Choose name from list - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)																	
Description		Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
R thousand			July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue by Vote																	
Vote 3 - BUDGET AND TREASURY			31,604	31,604	31,604	31,604	31,604	31,604	31,604	31,604	31,604	31,604	31,604	30,952	378,598	411,324	440,729
Vote 4 - HUMAN RESOURCE AND CORPORATE SERVICES														-	-	-	-
Vote 5 - INFRASTRUCTURE DEVELOPMENT SERVICES			19,144	19,144	19,144	19,144	19,144	19,144	19,144	19,144	19,144	19,144	19,144	10,051	220,634	243,762	257,482
Vote 6 - COMMUNITY DEVELOPMENT SERVICES			87,416.67	87	87	87	87	87	87	87	87	87	87	87	1,049	274	289
Vote 7 - LOCAL ECONOMIC DEVELOPMENT AND PLANNING														-	-	-	-
Total Revenue by Vote				50,836	50,836	50,836	50,836	50,836	50,836	50,836	50,836	50,836	50,836	41,090	600,282	655,360	698,501
Expenditure by Vote to be appropriated																	
Vote 1 EXECUTIVE AND MAYOR			4,804	4,804	4,804	4,804	4,804	4,804	4,804	4,804	4,804	4,804	4,804	8,864	61,707	65,146	68,820
Vote 2 MUNICIPAL MANAGER			914	914	914	914	914	914	914	914	914	914	914	2,674	12,733	13,472	14,257
Vote 3 - BUDGET AND TREASURY			4,560	4,560	4,560	4,560	4,560	4,560	4,560	4,560	4,560	4,560	4,560	4,560	54,725	57,828	61,133
Vote 4 - HUMAN RESOURCE AND CORPORATE SERVICES			7,922	7,922	7,922	7,922	7,922	7,922	7,922	7,922	7,922	7,922	7,922	7,922	95,067	100,316	105,930
Vote 5 - INFRASTRUCTURE DEVELOPMENT SERVICES			14,593	14,593	14,593	14,593	14,593	14,593	14,593	14,593	14,593	14,593	14,593	14,593	175,122	184,699	194,959
Vote 6 - COMMUNITY DEVELOPMENT SERVICES			3,165	3,165	3,165	3,165	3,165	3,165	3,165	3,165	3,165	3,165	3,165	3,165	37,974	40,119	42,406
Vote 7 - LOCAL ECONOMIC DEVELOPMENT AND PLANNING			3,353	3,353	3,353	3,353	3,353	3,353	3,353	3,353	3,353	3,353	3,353	2,044	38,928	41,068	43,358
Total Expenditure by Vote				39,312	39,312	39,312	39,312	39,312	39,312	39,312	39,312	39,312	39,312	43,822	476,257	502,647	530,863
Surplus/(Deficit) before assoc.				11,523	11,523	11,523	11,523	11,523	11,523	11,523	11,523	11,523	11,523	(2,732)	124,025	152,713	167,637
Surplus/(Deficit)			1	11,523	11,523	11,523	11,523	11,523	11,523	11,523	11,523	11,523	11,523	(2,732)	124,025	152,713	167,637

18 Monthly targets for revenue, expenditure and cash flow

Table 9 MBRR SA25 - Budgeted monthly revenue and expenditure

Choose name from list - Supporting Table SA25 Budgeted monthly revenue and expenditure														Medium term Revenue and Expenditure Framework		
Description	Ref	Budget Year 2018/19												Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June			
Revenue By Source																
Property rates		4,115	4,115	4,115	4,115	4,115	4,115	4,115	4,115	4,115	4,115	4,115	4,115	49,380	52,046	54,909
Service charges - electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water rev		1,807	783	783	783	783	783	783	783	783	783	783	12,043	21,680	22,845	24,101
Service charges - sanitation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse rev		1,605	1,605	1,605	1,605	1,605	1,605	1,605	1,605	1,605	1,605	1,605	1,605	19,266	20,306	21,423
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equip		10	10	10	10	10	10	10	10	10	10	10	10	118	124	131
Interest earned - external inv		1,131	1,131	1,131	1,131	1,131	1,131	1,131	1,131	1,131	1,131	1,131	1,131	13,578	14,311	15,098
Interest earned - outstanding		983	983	983	983	983	983	983	983	983	983	983	983	11,790	12,426	13,110
Transfers and subsidies		124,061	-	-	-	-	124,958	-	-	62,479	-	-	(0)	311,497	337,900	363,267
Other revenue		49	49	49	49	49	49	49	49	49	49	49	49	590	622	656
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding c		133,761	8,677	8,677	8,677	8,677	133,634	8,677	8,677	71,155	8,677	8,677	19,935	427,898	460,580	492,695
Expenditure By Type																
Employee related costs		11,216	11,216	11,216	11,216	11,216	11,216	11,216	11,216	11,216	11,216	11,216	11,216	134,592	142,533	150,942
Remuneration of councillors		1,642	1,642	1,642	1,642	1,642	1,642	1,642	1,642	1,642	1,642	1,642	1,642	19,708	20,871	22,102
Debt impairment		3,870	3,870	3,870	3,870	3,870	3,870	3,870	3,870	3,870	3,870	3,870	3,870	46,439	42,868	45,226
Depreciation & asset impair		3,492	3,492	3,492	3,492	3,492	3,492	3,492	3,492	3,492	3,492	3,492	3,492	41,902	44,165	46,594
Finance charges		17	17	17	17	17	17	17	17	17	17	17	17	200	211	222
Bulk purchases		2,144	2,144	2,144	2,144	2,144	2,144	2,144	2,144	2,144	2,144	2,144	2,144	25,732	27,122	28,613
Other materials		1,720	1,720	1,720	1,720	1,720	1,720	1,720	1,720	1,720	1,720	1,720	1,720	20,636	21,751	22,947
Contracted services		4,125	4,125	4,125	4,125	4,125	4,125	4,125	4,125	4,125	4,125	4,125	4,125	49,497	52,170	55,039
Transfers and subsidies		1,228	1,228	1,228	1,228	1,228	1,228	1,228	1,228	1,228	1,228	1,228	1,228	14,732	15,528	16,382
Other expenditure		9,502	9,502	9,502	9,502	9,502	9,502	9,502	9,502	9,502	9,502	9,502	18,268	122,786	135,495	142,948
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		38,955	38,955	38,955	38,955	38,955	38,955	38,955	38,955	38,955	38,955	38,955	47,721	476,225	502,713	531,016
Surplus/(Deficit)		94,806	(30,278)	(30,278)	(30,278)	(30,278)	94,679	(30,278)	(30,278)	32,200	(30,278)	(30,278)	(27,786)	(48,328)	(42,132)	(38,321)
Transfers and subsidies - capital		69,816	-	-	-	-	68,092	-	-	34,477	-	-	-	172,384	194,780	205,806
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		164,622	(30,278)	(30,278)	(30,278)	(30,278)	162,771	(30,278)	(30,278)	66,677	(30,278)	(30,278)	(27,786)	124,056	152,648	167,485
Surplus/(Deficit) 1		164,622	(30,278)	(30,278)	(30,278)	(30,278)	162,771	(30,278)	(30,278)	66,677	(30,278)	(30,278)	(27,786)	124,056	152,648	167,485

19 Annual budgets and SDBIPs – internal departments

20 18. Contracts having future budgetary implications

In terms of the Municipality's Supply Chain Management Policy, contracts are awarded within the medium-term revenue and expenditure framework (three years).

21 19. Capital expenditure details

The following three tables present details of the municipality's capital expenditure programme, firstly on new assets and renewal of assets

Table 10 MBRR SA 34a - Capital expenditure on new assets by asset class

Choose name from list - Supporting Table SA34a Capital expenditure on new assets by asset class										
Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		137,374	214,597	79,087	157,088	166,313	166,313	165,700	181,852	205,806
Roads Infrastructure		103,745	90,257	43,084	43,432	67,971	67,971	41,000	26,352	49,000
Roads		103,745	90,257	43,084	43,432	67,971	67,971	41,000	26,352	49,000
Electrical Infrastructure		166	8,366	497	9,656	6,120	6,120	4,000	18,500	4,806
Capital Spares		166	8,366	497	9,656	6,120	6,120	4,000	18,500	4,806
Water Supply Infrastructure		33,463	83,080	35,432	89,000	92,222	92,222	56,892	105,000	134,000
Dams and Weirs										
Boreholes					2,000	4,100	4,100			
Distribution		33,463	83,080	35,432	87,000	88,122	88,122	56,892	105,000	134,000
Sanitation Infrastructure		1	-	75	-	-	-	48,508	32,000	18,000
Toilet Facilities		1		75				48,508	32,000	18,000
Information and Communication		-	32,895	-	15,000	-	-	15,300	-	-
Data Centres			32,895		15,000	-		15,300	-	-
Community Assets		-	11,406	-	7,714	7,714	7,714	17,184	12,928	-
Community Facilities		-	11,406	-	500	500	500	700	-	-
Halls			11,406					700		
Cemeteries/Crematoria					500	500	500			
Sport and Recreation Facilities		-	-	-	7,214	7,214	7,214	16,484	12,928	-
Indoor Facilities										
Outdoor Facilities					7,214	7,214	7,214	16,484	12,928	-
Investment properties		-	5,876	-	-	-	-	4,500	-	-
Revenue Generating		-	5,876	-	-	-	-	-	-	-
Improved Property										
Unimproved Property			5,876							
Non-revenue Generating		-	-	-	-	-	-	4,500	-	-
Improved Property										
Unimproved Property								4,500		
Other assets		1,147	60,082	18,435	31,685	16,195	16,195	10,000	-	-
Operational Buildings		-	-	-	18,850	16,195	16,195	10,000	-	-
Municipal Offices					18,850	16,195	16,195	10,000	-	-
Housing		1,147	60,082	18,435	12,835	-	-	-	-	-
Capital Spares		1,147	60,082	18,435	12,835					
Furniture and Office Equipment		-	-	-	600	600	600	-	-	-
Furniture and Office Equipment					600	600	600			
Transport Assets		-	-	-	11,350	11,350	11,350	-	-	-
Transport Assets					11,350	11,350	11,350			
Total Capital	1	138,521	291,961	97,523	208,438	202,172	202,172	197,384	194,780	205,806

20. LEGISLATIVE COMPLIANCE STATUS

MFMA Section 24(2) states that in order for a municipality to comply with subsection (1), the mayor of the municipality must table the annual budget at a council meeting at least 30 days before the start of the budget year.

- (1) When the annual budget has been tabled, the municipal council must consider any views of— (a) the local community; and
(b) the National Treasury, the relevant provincial treasury and any provincial or national organs of state or municipalities which made submissions on the budget.

Municipality did comply with legislation on public participation and has considered the views of Provincial Treasury. Municipality has done consultation during the period of April 2017 and Mayor has tried to accommodate community inputs.

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

In year reporting

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively

improved and includes monthly published financial performance on the municipality's website.

Internship programme

The municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Budget and Treasury Department.

Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.

Audit Committee

An Audit Committee has been established and is fully functional.

Service Delivery and Implementation Plan

The detail SDBIP document is at a draft stage and will be finalised after approval of the 2018/19 MTREF..

Annual Report

Annual report is compiled in terms of the MFMA and National Treasury requirements.

Training

Management is adhering to training in terms of Minimum Competency Regulations, currently 14 Managers have been enrolled and two BTO staff.

21. Other supporting documents

Table 11 MBRR Table SA1 - Supporting detail to budgeted financial performance

Choose name from list - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'										
Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand										
REVENUE ITEMS:										
Property rates	6									
Total Property Rates		40,412	44,835	44,933	47,799	47,799	47,799	49,711	52,395	55,277
less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)								331	349	368
Net Property Rates		40,412	44,835	44,933	47,799	47,799	47,799	49,380	52,046	54,909
Service charges - water revenue	6									
Total Service charges - water revenue		23,527	25,366	26,344	28,424	28,424	28,424	29,561	31,151	32,865
less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)						7,578	7,578			
less Cost of Free Basis Services (6 kilolitres per indigent household per month)		-	-	-	7,578	-	-	7,881	8,307	8,763
Net Service charges - water revenue		23,527	25,366	26,344	20,846	20,846	20,846	21,680	22,845	24,101
Service charges - refuse revenue	6									
Total refuse removal revenue		15,777	16,931	18,153	18,844	18,844	18,844	19,597	20,656	21,792
less Cost of Free Basis Services (removed once a week to indigent households)		-	-	-	6,519	319	319	332	349	369
Net Service charges - refuse revenue		15,777	16,931	18,153	12,325	18,525	18,525	19,266	20,306	21,423
Other Revenue by source										
Fuel Levy										
Other Revenue		1,459	7,606	44,043	863	1,135	1,135			
TENDER DOCUMENT DATABASE								269	283	299
SUNDRY INCOME								260	274	289
CONSUMER SERVICES : CLEARANCE CERTIFICATE								58	61	64
Total 'Other' Revenue	1	1,459	7,606	44,043	863	1,135	1,135	590	622	656
EXPENDITURE ITEMS:										
Employee related costs										
Basic Salaries and Wages	2	67,783	76,205	83,743	76,369	76,369	76,369	87,833	93,015	98,503
Pension and UIF Contributions					11,102	11,102	11,102	13,321	14,107	14,939
Medical Aid Contributions					6,000	6,000	6,000	9,576	10,141	10,739
Overtime					3,574	3,574	3,574	2,512	2,660	2,817
Performance Bonus					3,920	3,920	3,920	6,914	7,322	7,754
Motor Vehicle Allowance					8,075	8,075	8,075	9,490	10,050	10,643
Cellphone Allowance					672	672	672	1,296	1,372	1,453
Housing Allowances					2,419	2,419	2,419	2,582	2,735	2,896
Other benefits and allowances					1,420	1,420	1,420	1,068	1,131	1,197
Payments in lieu of leave									-	-
Long service awards									-	-
Post-retirement benefit obligations	4								-	-
sub-total	5	67,783	76,205	83,743	113,552	113,552	113,552	134,592	142,533	150,942
Less: Employees costs capitalised to PPE										
Total Employee related costs	1	67,783	76,205	83,743	113,552	113,552	113,552	134,592	142,533	150,942
Depreciation & asset impairment										
Depreciation of Property , Plant & Equipment		36,890	36,084	64,829	40,291	40,291	40,291	41,902	44,165	46,594
Total Depreciation & asset impairment	1	36,890	36,084	64,829	40,291	40,291	40,291	41,902	44,165	46,594

Medium Term Revenue and Expenditure Framework (MTREF) Budget for 2018/19, 2019/20 to 2020/21 FY

Choose name from list - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'										
Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Bulk purchases										
Electricity Bulk Purchases										
Water Bulk Purchases		24,087	17,767	20,645	24,743	24,743	24,743	25,732	27,122	28,613
Total bulk purchases	1	24,087	17,767	20,645	24,743	24,743	24,743	25,732	27,122	28,613
Transfers and grants										
Cash transfers and grants		-	-	-	-	-	-	6,189	6,523	6,882
Non-cash transfers and grants		10,346	-	-	20,366	5,951	5,951	8,544	9,005	9,500
Total transfers and grants	1	10,346	-	-	20,366	5,951	5,951	14,732	15,528	16,382
Contracted services										
List services provided by contract										
Cleansing Services		12,315	15,721	62,187	15,474	15,474	15,474	26,230	27,646	29,167
Security Services		9,112	7,684		16,336	16,336	16,336	11,989	12,637	13,332
Water Conservation and Demand Management			17,130		3,992	-	-			
Tankerage					10,000	18,200	18,200	10,928	11,518	12,152
Land Use					1,025	1,025	1,025	250	264	278
Land Fill					600	600	600	100	105	111
sub-total	1	21,427	40,536	62,187	47,427	51,635	51,635	49,497	52,170	55,039
Total contracted services		21,427	40,536	62,187	47,427	51,635	51,635	49,497	52,170	55,039
Other Expenditure By Type										
Collection costs										
Contributions to 'other' provisions										
Consultant fees		69,070	95,580	106,912	33,396	27,555	27,555	36,998	38,995	41,140
Audit fees					3,590	3,590	3,590	3,733	3,935	4,151
General expenses	3				23,707	36,527	36,527	26,162	33,653	35,505
List Other Expenditure by Type					3,385	3,505	3,505			
FUEL & LUBRICANTS					1,537	1,527	1,527	3,645	3,842	4,053
INSURANCE COST - GENERAL					1,131	1,131	1,131	1,588	1,674	1,766
LED PROJECTS					21,134	21,014	21,014	2,216	2,336	2,464
LICENCE FEES					808	837	837	21,854	23,034	24,301
PRINTING AND STATIONARY					4,944	5,244	5,244	1,698	1,790	1,889
SOCIAL SERVICES PROJECTS					2,251	3,065	3,065	5,038	5,310	5,602
TRAINING AND CAPACITY BUILDING					1,890	1,674	1,674	3,187	3,359	3,544
TELEPHONE					2,202	2,223	2,223	1,741	1,835	1,936
TRAVELLING					3,915	3,915	3,915	2,312	2,437	2,571
WARD COMMITTEES					1,697	3,436	3,436	4,072	4,292	4,528
WATER & LIGHT					-	-	-	-	-	-
SMME SUPPORT					414	414	414			
SUPPORT TO MAGOSI AND LUMS					1,329	1,329	1,329	430	454	479
FINANCIAL MANAGEMENT GRANT EXPENDITURE					2,349	1,687	1,687	1,755	1,850	1,951
MAYOR'S/SPEAKERS IMBIZO					-	-	-	-	-	-
MUNICIPAL SYSTEMS IMPROVEMENT					1,218	1,224	1,224			
MEMBERSHIP FEES					1,146	1,146	1,146	1,273	1,341	1,415
COMMUNITY PARTICIPATION					1,061	931	931	1,192	1,256	1,325
COST RECOVERY & DEBT COLLECTION SUPPORT					1,458	1,612	1,612	2,159	2,276	2,401
ACCOMODATION					10,000	19,689	19,689	1,734	1,827	1,928
BASIC SANITATION AND IDP					-	-	-	-	-	-
Total 'Other' Expenditure	1	69,070	95,580	106,912	124,560	143,274	143,274	122,786	135,495	142,948
Repairs and Maintenance	8									
Employee related costs										
Other materials										
Contracted Services										
Other Expenditure		14,611	21,583	30,557	24,881	29,458	29,458	20,636	21,751	22,947
Total Repairs and Maintenance Expenditure	9	14,611	21,583	30,557	24,881	29,458	29,458	20,636	21,751	22,947

Other supporting documents

Table 12 MBRR Table SA1 - Supporting detail to budgeted financial performance

22. Municipal manager's quality certificate

Singed Municipal Manager 's quality certificate is attached as annexure 2

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